THE CHINA WEEKLY REVIEW

密勒氏評論報

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August 24, 1946

NEW EXCHANGE RATE

AN EDITORIAL

U.S. Forgetting War's Lessons

By Joseph P. Lyford

Honan Tractor Project

By F. J. Chih

Story Of Kidnapped Marines

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MP's IN SHANGHAI

AN EDITORIAL

VOLUME 102 PRICE CNC$500 NUMBER 13

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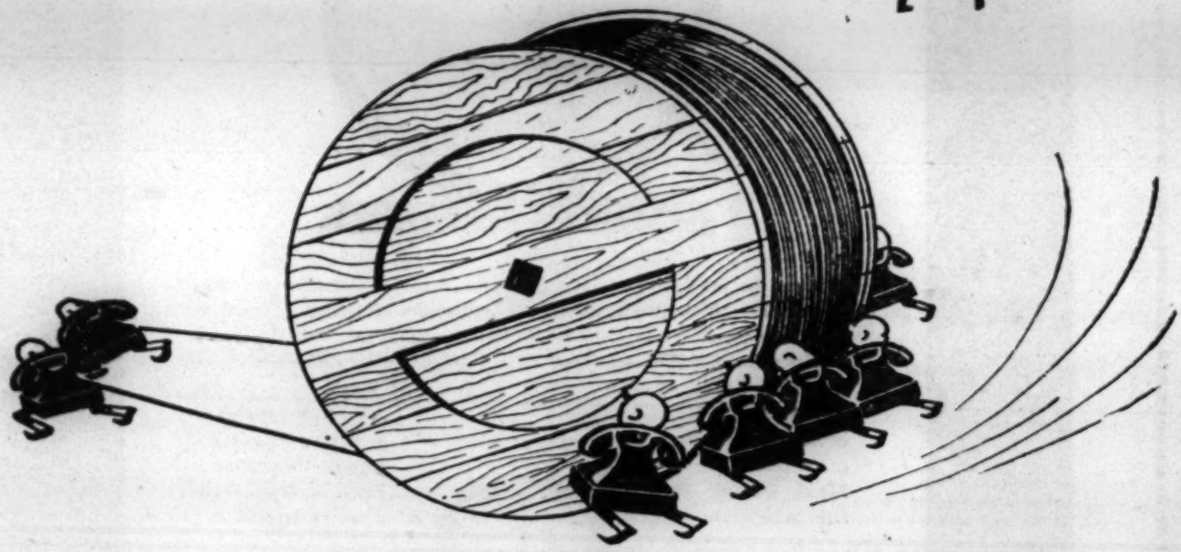

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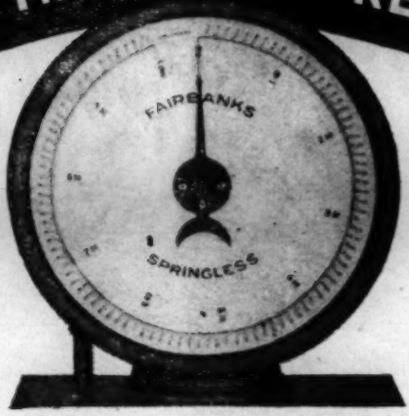

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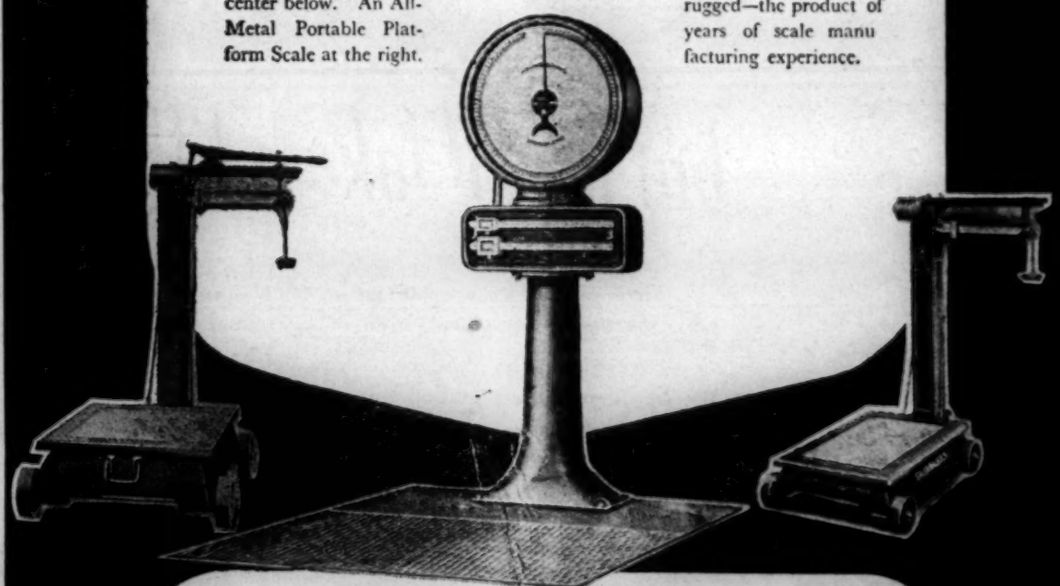

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Spiritual Satisfaction

To The Editor:

It was because of my earnest loving of the Review that hurried me to write you the letter previous to this one inquiring about the delay of the July 27 issue of the Review which I just received at this very moment—the noon of Aug. 7. As the post date stamping is so muddled I cannot discern from it on what date you sent the Review out and on what date it arrived in Soochow. I still have my doubts about the dispatching process of the Post Office here.

However, my spiritual hunger has been gratified. I will care no more about it. Much thanks, I am,

TSANG SIEN.

Soochow,
August 7, 1946.

Depositor's Appeal

To The Editor:

At the close of the War investigations were conducted by the Government for losses sustained as a result of the War, both by the Government and the public. People were invited to register their losses, direct or indirect, with the Government in order to enable the latter to enter claims for compensation from the defeated nations. Do you think the losses sustained by the populace will finally be accordingly compensated when our Government has actually received the indemnities?

We have not heard of our Government's intention to make any inquiries regarding the losses sustained by the people as a result of depositing their hard-earned savings with the Government Banks before, or at the beginning of, the War at a fixed term of 10 or 15 years. Now the terms of some such deposits will soon expire, just imagine what will be the use of the money each depositor will receive from the Banks even with the acerued interest?

In my case, I shall receive an amount of CNC$12,000 from one of the Government Banks; and what will be the use of this sum which is not even sufficient for a subscription to your *Review* for a term of six months, while the original amount alone (to say nothing of the compound interest) at the time of making the deposit would suffice for the afore-mentioned purpose for a period of more than 300 years! To do the depositors justice, the Government should allot a portion of the indemnities obtained to compensate those of us, who had refrained from following the steps of many speculators, for such direct losses in order to win the confidence of the people.

A DEPOSITOR.

Takao,
August 13, 1946.

Only Hope

To The Editor:

The Chinese masses are seized with fear that a large scale civil war will sooner or later break out which will plunge the Nation into the abyss of confusion and complete ruination. This fear is apparently brought about by the failure of the mission of General Marshall, U.S. Presidential envoy and Dr. Stuart, U.S. Ambassador.

People are puzzled as to why a coalition Government with the participation of various parties cannot be successfully established in China whereas in Great Britain and the United States there are so many parties in the government! It is said that the Communist party in America does not interfere with government enforcement of national affairs, nor do they cherish any ambition of dominating the country, but on the contrary, favor giving freedom of press, speech, belief, action to the people.

As regards the Communist party in China, it is worthy to note that their political views are quite different from the government's. They are not in agreement with the Three People's Principles. In fact, they are attempting to establish their domain in the country, to carry out their own principles and the plot for sovietization of the Nation. How can the government tolerate the sinister motives behind the curtain of Communist negotiations.

From the above we can easily see the causes of the failure of peace negotia-

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tions between the government and the Communist Party. Therefore it seems that the only hope for a solution of the present impasse in China lies in a change of mind on the part of the Communist Party.

ALFRED WANG.

Shanghai,
August 20, 1946.

Ferry Strike

To The Editor:

The workers of the Star and Yaumati Ferries have been on strike for about 10 days. Their union leaders rejected terms offered by their respective managements. Communications between the Island and the Peninsula are now so expensive that the fare per head between Kowloon City and the City of Victoria is somewhere around HK$5.00 or CNC$-3000. Those who could not or would not choose to travel so extravagantly often choose to gossip. A tale of two cities has been fabricated, transmitted and circulated quite extensively. It is best of the times for the sampan people. It is the worst of times for businessmen and commuting laborers.

Vernacular papers reported that the Seamen's Union in Canton is supporting Hongkong's strikers with funds and rice shipped from the Kwangtung capital.

M. M. WEN.

Hongkong,
August 10, 1946.

Citizens' Protest?

To The Editor:

As a reader, I should like to point out that the letter to you titled 'Szechuen Protest" in the August 10th issue of the Review has some questionable points.

I am a college student just returned from Chengtu not more than 10 days ago and I studied there for nearly four years. Personally I do not know Mr. Chang Lan, (蘭 should be pronounced LAN, not NAN), but I have several times listened to his speeches criticizing the present government. As I am not also "ignorant," I believe what he said mostly is true. He is an old man, but not stubborn. He has a good understanding of democracy, and is respected by a good many democratic-minded people including college professors and students, newspapermen and other intellectuals.

The word "ORDER" is not a bad one, but if ORDER is to be maintained it should be a GOOD order. In a nation, it should be established and maintained according to the people's need. Yes, children should obey their parents, as the OLD CITIZEN said, but in a just nation the people are parents. The government, as Dr. Sun Yat-sen said, is the servant rather than the master. It is just the government that should obey.

The song which sings of the freedom and liberty, in work and recreation, of our ancient Chinese farmers is a beautiful song, but at present we are not so proud as to say 'With me what has the king to do?" Because under the modern king we cannot work, rest and do everything as we wish. Most of our farmers' food is taken away, and their sons are put by force under the civil war's gunfire. We surely were free in ancient times if that song is a true song.

I wonder at the real purpose of that letter, and I cannot help asking if Mr. Lo and Mr. Chang really are pro-Communist, as they said, or actually pro-

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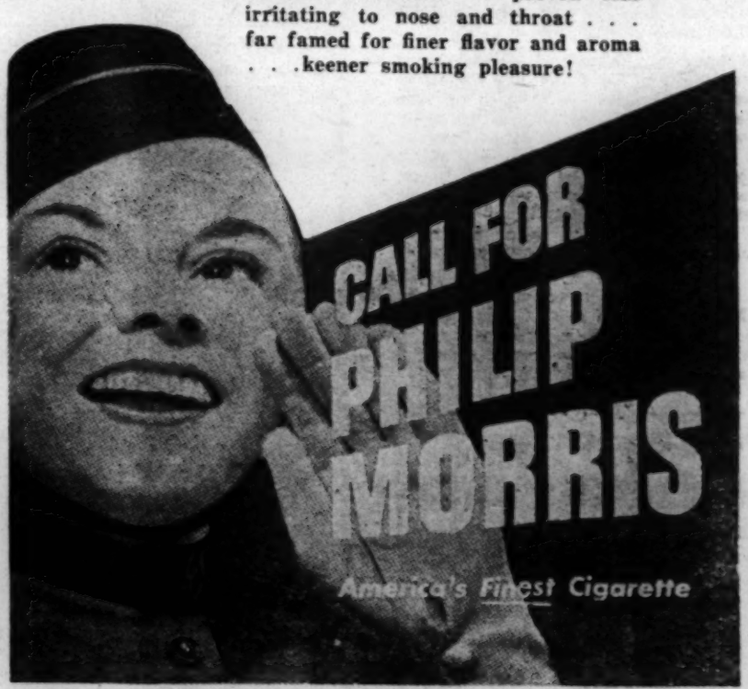

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Kuomintang? Are they asking the Kuomintang government to put Mr. Chang into a concentration camp?

LO WEI YU.

Shanghai,
August 17, 1946.

Judgment Day

To The Editor:

Mr. Hu Che-wu, publisher of the Kung Sheung Yat Po or the Industrial and Commercial Daily Press, Ltd., Hongkong, asserts in a letter printed in your Review of July 20, 1946, that "if you say something against them (the Russians), you are pro-Fascist and reactionary." This statement itself implies, in a subconscious and unconscious way, an admission that his publication, which in the pre-occupation days was indeed a most unbiased and well-edited newspaper, has been made use of by the Fascist secret agents in the prosecution of the Bolsheviks and persecution of the liberals, perhaps to the ignorance of its own proprietors!

If Mr. Hu did grant permission to his editors and reporters to adhere to the principle of giving "the respect due the head of our state," the Blueshirts' divine, infallible and God-sent Fuehrer stuff and nonsense invariably come in. Control of thought, taking the law into one's own hands, terrorism, plus blackmailing and intimidation, eventually follow. Mr. Hu has been in Hongkong long. A journalist himself, he should know that what our secret service men —the Blueshirts—have been doing here has been a disgrace to China as a modern State and to Generalissimo Chiang Kai-shek as China's national leader.

Since Mr. Hu said that my remarks were inaccurate I will prove to your readers that I wrote with facts as my basis. At this moment I have five copies of Mr. Hu's Kung Sheung Press on my desk. They should be sufficient to serve as prima facie evidence. Yes, it, the Kung Sheung Press, as hinted by Mr. Hu, denounces Soviet Russia like other Kuomintang organs (May 31, evening edition). It condemns Chinese Communists as a political party for owning "private armies," while it supports the Kuomintang as a political party to have the holy and sacred prerogative of controlling and mobilizing land, naval and aerial forces against their own countrymen, as all the Blueshirt propaganda matters do (April 19, evening edition). It, the Kung Sheung Press, apologizes for the Kuomintang as the most patient and patriotic organization, and blames the opposition for China's weakness, wickedness, calamities and devastations (May 5). It talks about and jokes on Democracy (April 18 and April 26), exactly like Tai Li's satellites.

The Kung Sheung Press admits now that it was registered with the British government as a limited company; it was given rights and privileges accorded to an English corporation. Yet for all the last few months it was cooperating with other Kuomintang mouthpieces financed or managed by ex-collaborators or by notorious puppets in defying, under the pretext of liquidating the traitors, the English legal and sovereign rights in an English Colony, culminating in the suspension of the National Times by the Hongkong authorities.

If, Mr. Hu declares that such deeds and words are not the Tai Li's language and policy of Himmler pattern, let him continue the same practices forever.

However, the Kung Sheung Yat Po has definitely varied its voice since the arrival of the last June issue of your Review. The paper appears to possess

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no more characteristics of the Gestapo team. No matter how Mr. Hu justifies his position, I congratulate him upon this reformation. Himmler's butchers obviously have lost out in this field of exploitation.

I sincerely pray that Mr. Hu will make his journal impartial and independent in reality and not in words alone.

Some years ago Hu Han-min was imprisoned by our great and omnipotent leader in Tongshan. Dr. Sun Fo Fo sent a telegraphic protest by quoting Abraham Lincoln: "You cannot fool all the people all the time." That citation ought to be a good piece of advice to you and me, as well as Mr. Hu.

Mr. Hu's paper will prosper, I am sure, if it will tell the truth, the whole truth, and nothing but the truth. The public cannot remain deceived always.

I hope someday Mr. Hu will meet the ghosts of the late Shih Liang-tsai, manager of the Shun Pao, Shanghai, and of the late Yang Chien, vice-president of the Academia Sinica, Nanking, both assassinated for their convictions in liberalism and their struggles for civil rights, to avenge, not only themselves, but also the thousands who died and were imprisoned and tortured in different provinces for their beliefs and fights for modern democracies of non-Kremlin style. Perpetrators of such crimes will pay for what they did. Their instigators and accomplices will also be judged. And I certainly hope that Mr. Hu will not be the one among those to be hunted!

There are always days of judgment, days of reckoning and days of retribution. Tai Li's men will not live permanently and comfortably in their profession of assassins and incarcerators of political opponents, even though President Truman tries to perpetuate a regime still building the chambers of horrors by extending more aid.

JAMES B. CHANG.

Hongkong,
August 10, 1946.

Soldier Or Civvy?

To The Editor:

Here is something interesting to your readers, particularly to those who wish to know the inside dope on the so-called C. O. A. A. (Commission on Aeronautical Affairs). I am taking the pleasure to disclose, through the precious space of the respected Review, some true inside facts regarding the Commission although I certainly am not instigating any movement against the organization on which I myself am now living.

I was an FAB interpreting officer before V-J Day. During our service in the army, the interpreters' position was somewhere between civilian and soldier. We didn't have any formal rank and insignia (it was too late when the FAB finally decided to issue insignia a few weeks before the war ended) to distinguish ourselves from civilians and yet we were actually in the army and bound by military regulations. We were repeatedly asked by Allied officers if it was correct to call us "Mr." Now the same thing is happening in the COAA. In the first place, COAA sounds like a civilian organization and one would be surprised if told the COAA is almost equal to CAF, which is familiar to most people. In the second place, a man who cannot fly usually is not recognized as a CAF member by the Chinese generally.

Here is how I became a "tiger-skinned" soldier, as most Shanghailanders call us: after victory, I was one of the inter-

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preters kicked away by FAB with the title of "unemployed refugee of the first class." Through the efforts of a friend, I was introduced into a local organization under the COAA. I was told that, according to the regulations, a college graduate will be treated and paid with rank equal to a second lieutenant of third grade. This was done the first month. By the second month I was ordered to hand in my personal record cards, graduation certificate and a number of photos, so as to get myself registered and commissioned by the head office of the Commission. For the third month, I was paid as a 2nd Lt. of third grade but with 20 percent discount. I could not complain because this was one of the regulations, too!

The next month, I was again ordered to submit a membership certificate of Kuomintang party. This was a tough piece of redtape because you just have to join the Kuomintang whether you like it or not and, besides, you have to rush to the local party office several times a day in order to get through the admission routines. So far as I know, nobody cares whether or not you are a member of the Kuomintang once you're in the Commission. Another month passed, and new orders were issued that all new hands should be treated as temporarily-employed officers on six months' of probation and paid as warrant officers of the third grade but with 20% less, that no technical allowances should be allotted, and that they should not be equipped with any uniform during the "testing period." Despite skyrocketing living indices, our pay was dropping abruptly month by month. With more than eight months of service in the Commission, I am still treated as a new staffer without the privileges of a formal member. But how about my work then? I was burdened with heavy paper tasks and am doing more than one man's work. It seems to me that my superior officers are squeezing the sweat from my body as hard as they can.

Since no uniforms have ever been issued to me, I should not be recognized as a military man although, as I am working in a military organization under the National Military Council, I undoubtedly am subject to military law. Am I a civilian or a soldier? Now for some funny stories of what happened to me. One day when I wore khaki trousers, I was stopped by a Chinese M.P. who checked the certificate issued by my office. He said, seriously: "You *are* a *soldier* under the CAF but why don't you put on your uniform? Do you realize that a soldier with incomplete uniform should be punished severely?" So I had to get a uniform from a tailor shop which cost a month's pay. Again I was halted by an M.P. on the street. Said he: "Your certificate tells me that you are only a recording clerk without any formal military rank. Evidently you are not authorized to put on any uniform, which is the sacred representation of a soldier. You are guilty of pretending to be a military personnel. Fortunately I was released without being invited to M.P. headquarters.

Would you like more information? Look at this: You are not allowed to marry without the permission of the Commission. The routine—fill in two copies of the application forms in which the following items are included: Your and your bride's names, your and her parents' names, "go-between's name, wedding day fixed, and a rough history as to how you got acquainted with and engaged to each other and finally decided to marry. Those who fail to comply are punished. You are not allowed to desert from the Commission. Nor are you permitted to apply

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to resign. You are not allowed to take any examination to go abroad because you would be treated as an A.W.O.L. soldier if you do go!

I am sorry that both Mr. Editor of the Review and Mr. Military Secret do not allow me to say more. Welcome to those smart college students who are trying to join COAA, but remember that once you get in, you are really "in" for ever! Many thanks for your kindness in giving me space!

A TIGER.

Shanghai,
August 19, 1946.

Passports Denied

To The Editor:

Two writers and two engineers from the Communist-led area who were invited to visit the United States by the State Department are now forced to abandon the trip as a result of the Chinese Government's refusal to issue passports for them. A letter protesting against the matter has been sent to leading American writers and China experts.

The United States State Department initiated the cultural invitation at the end of last June and was supported by General Marshall and Ambassador Stuart. The four persons were carefully selected and invited on the basis of promoting the interflow of Chinese and American culture. They are writer Chow Yang, Vice President of the North China Union University, playwright Oyang Shan Chun, and engineers Nih Chun-jung and Li Su, both known for their contribution in industrial reconstruction. So at the beginning of July, they arrived in Shanghai from Kalgan, ready to go through all necessary steps in applying for passports.

Though assisted by the United States Embassy, their effort proved futile after repeated contacts with the government authorities concerned in the past one and a half months.

The four invited who are compelled to abandon the American tour are scheduled to leave by plane for Kalgan within a few days.

CHOW YANG.

Shanghai,
August 18, 1946.

Is That So?

To The Editor:

When I read in the newspaper the speech given by Generalissimo Chiang Kai-shek on the annual celebration day of the Victory of World War II, I wondered why he didn't say anything about the improvement of Government administration, such as adjustment of government employee's pay and prohibition of government officials squeeze, which the majority of the population is suffering from, directly or indrectly. He also did not mention when the government will stop the activities of its secret sevice against its unarmed civilians. These are, I believe, the most critical subjects in China today and people will be grateful to hear of remedies.

Among, the five thousand words he spoke, he told the people that all the mischief during the past year was only because the communists were holding an army. Is that so?

WILLIAM C. KUO.

Hankow,
August 16, 1946.

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Vol. 102 Shanghai, Saturday, August 24, 1946 No. 13

New Exchange Rate

CHINA'S economists have always been reckoned as having pretty shrewd minds. In the world of finance they are classed with some of the best. But one can only wonder if the latest maneuver of China's Economic Wizard, Dr. T. V. Soong, will enhance the reputation of China's economists, or do the reverse. Time, of course, will tell, but in the meantime certain observations must be made.

We have always assumed it as an axiom of economics that in the long run it is the confidence of the people in their currency which can make or break its worth. In this connection it might be pointed out that during the past two months hardly any appreciation in the cost of living took place. Not only did quotations for the majority of commodities remain on an equal plane, but many products on the market even declined in value. In other words, to the man in the street, the Chinese national dollar appeared to be "levelling off." Hence, the increase of confidence in its domestic buying power. How has the latest governmental maneuver in the field of finance affected the Chinese man in the street?

The sudden jumps in commodity prices left no doubt in the minds of the public that the shopkeepers, at least, had lost some of their faith in CNC. And when shopkeepers want more for their goods, the average man wants more wages to buy them with. In other words, by devaluing the national dollar, the government has dealt a heavy blow to the confidence of the people in their currency.

It can be argued, of course (and no doubt will be argued) that the devaluation of the national dollar will be a great boon to exporters. That too remains to be seen. We are certain that even had the dollar been devaluated by 50 percent, instead of by 40 percent as decided upon by the government, many an imported article, even accounting for pilferage and duty, will still undersell the locally manufactured product. In that sense, at least, domestic production will not be aided much. There is no clear indication yet as to how high the Workers' Cost Of Living Index, always an important factor to reckon with in local production costs, will jump. It may go up no more than 10 or 15 percent as expected by the government. But then again, once prices start jumping there is no telling when the upward trend will stop and prices level off. Experience in the past has shown that once the vicious circle of rising prices and spiraling labor costs begins, the public begins to develop a "the sky's the limit" complex which only accentuates the process.

Perhaps it would have been safer to have devaluated the Chinese dollar by installments, thereby making it possible for the economy to "cushion" the shock of each impact. This would have resulted in gradually rising quotations for the American dollar which, despite all things said and done, still remains Mr. Big in these parts, being balanced by falling prices of imported articles which still dominate the local market. In this way, the cost of living in the city would still remain approximately the same while the Chinese dollar would assume a more realistic value in the international market. The latest maneuver has come too suddenly, and at a most critical time, when it can do more harm than good if contributory factors get out of control.

An analysis of the plan would indicate that its ultimate success or failure depends on keeping the black market quotation for greenbacks in close proximity to the official rate. Any widening of the margin between the T. T. rate and the price of U.S. notes on the black market would reduce, and finally nullify altogether, the benefits expected to come to China's exporters from the fact that the official, i.e., international, price of the U.S. dollar has gone up by 65 percent, whereas the black market, or domestic price, has appreciated by only 35 percent, leaving a favorable margin of say 30 percent. In other words, external devaluation has been greater than internal devaluation.

To accomplish this, the Chinese government will dump gold bars on the open market in the hope of thereby keeping down the quotation of greenbacks. Just how long the government can keep this up remains to be seen. If public confidence can remain at a high level, then perhaps the government's bullion supply will last. If not —the plan falls through.

The crux of the whole problem is whether or not the price of commodities in China can be kept down. True they have already gone up somewhat since the announcement of the new rate. But if they go up by say 50 percent or so, the entire strategy will misfire and we will be back just where we began, but with this difference: we shall have lost some of our confidence, a very important factor at the present time. We will therefore watch the commodity market. It is there that we will look for proof of the plan's success or failure.

Early Reaction

From the Omaha World-Herald.

A Wisconsin babe has started to whistle at the age of six months. We knew posterity would be impressed when it got a look at the tasks ahead.

MPs In Shanghai

IN a laudatory story carried last week by Shanghai newspapers, which paid deserved tribute to the 701st Military Police Battalion, there occurred the sentence, "The military policeman is a misunderstood individual." In Shanghai, among the Americans and others familiar with U.S. service regulations and procedures, this probably is incorrect. Unfortunately, among non-Americans here, however, this is all too true and, what's worse, the fault would seem to lie essentially with the MPs themselves.

We have in mind as the as yet officially unexplained raid carried out by a Woosung-Shanghai Garrison squad at 54 Great Western Road at the beginning of last week. To both the luckless foreign and Chinese victims of the raid, in which many millions of dollars in Chinese currency were allegedly lost—one person alone reportedly being minus US$7000—the presence of four uniformed, white-helmeted American MPs was as reassuring as it was misleading. The Americans remained on the scene in the role of spectators, departing at 10:00 a.m. when it seemed there wasn't a chance of bogus greenbacks materializing.

It has been explained by the American authorities that the four MPs had been sent to accompany the gendarmes as it was believed the search would turn up counterfeit American currency. Had this been found, the false greenbacks would have been taken as evidence for possible prosecutions. No phony money having been found after four hours, the Americans departed.

Apparently, and understandably, it was the Americans' view that the affair was strictly a Chinese matter, this including the shooting of a foreigner who most naturally, and very courageously, sought to prevent armed, civilian-clad Chinese from climbing via a window into his apartment. The man was hit by two bullets and for a time was in a serious condition although it is definite now that he will recover. His hospital and medical expenses, it seems safe to hazard, will be for his own account. He will be voted public and official sympathy, but not damages.

Now we have a great deal of respect and admiration for the American MP. His is a tough and thankless job. In Shanghai his lot has been no bed of roses, what with GIs once piling into town with their pockets loaded with accumulated back pay, their throats parched and their heads chockfull of ideas. There was steam to let loose and it was the MP's job to curb the hell-raising. All will agree they did, and did it right well. They've had to tackle jeep and other thieves and there were incidents in which they were the victims of gunplay. They've also had to keep the Army's once large bunch of civilian employees in line and they've cooperated in helping educate Shanghai's police in modern methods of handling traffic, etc., etc.

In their own words, the MP's job is to keep the GI out of trouble, guard U.S. property, control traffic, crack down on the black market, do patrol work, criminal and accident investigation, secure war crimes prisoners and supervise the auxiliary police. And there are other odd jobs too, both big and small.

But is it any military policeman's job to stand around, perhaps not even voicing a feeble protest, when their associates, the cops they've come with, act in violation of the law? No warrant was produced to the tenants of the apartments by the gendarmes. Was it not the MPs' duty to make sure their companions had obtained a warrant before they went along and watched as the gendarmes broke into peaceful residents' homes, smashed down doors, ripped open bureaus, wardrobes and drawers, and cracked open trunks and boxes? Wouldn't a tactful hint have slowed down the rough-playing gendarmerie detectives —and might not the reported loss of so many millions of dollars have been prevented or at least minimized?

The whole thing would have looked better had a single suspect materialized after all the shooting, breaking in, handcuffing and other rough stuff the gendarmes indulged in—and for the MPs it would have been infinitely better had they, maintaining it was a purely Chinese affair, kept out of it until evidence was forthcoming that greenbacks, or other American interests, were actually involved.

Commercial Provincialism

AMERICAN industrialists, as a class always notoriously short-sighted and always a full two jumps behind British and European businessmen in the international field, are now comfortably back in their groove, capably demonstrating that they have learned little if anything about the "outside" world in the last few years.

To the American commercial representative abroad it is the same old story: During years of internal prosperity, the home office blithely forgets the existence of the man abroad, but when the homeside market becomes restricted or filled, the cables begin to pour in, "Get busy and sell something. What are we paying you for?"

Today, with the war over, Congress has relaxed wartime controls and industry has been plagued with strikes and other work stoppages, while manufacturers, with their eyes on the war-starved American consumer, have been unable to see further and, actually, do not care either to see farther or to be reminded of a future.

With no exports, the majority of the American agents in foreign countries are facing lean times and are wringing their hands while Britain, France, Italy and even Japan, still operating under wartime controls, begin exporting raw and manufactured goods.

Again America is being offered the chance to crack the world markets so long dominated by Britain and Europe, and again America, bleating about how she has produced US$30,000,000,000 worth of consumer goods for the American people this year, is passing up the opportunity.

A Thousand To 1!

LAST week an amazing, unprecedented decision was handed down by Judge Y. L. Chao in the Shanghai District Court when he ruled that a plaintiff who had put CNC$2000 in a Joint Savings Bank fixed deposit account in 1940 should receive exactly 1000 times the amount deposited because of depreciation, inflation, etc. Needless to say, this ruling is being appealed to the Kiangsu High Court. Thence, if necessary, it is equally certain, it will be taken to the country's highest tribunals if the lower court's ruling is upheld.

The precedent of the Shanghai District Court is one that well may ruin not only quite a number of banks throughout the country, countless business houses and even the National Treasury itself, if it is allowed to stand, for only a month ago the National Government started redeeming bonds of CNC$100 face value at exactly one for one. That dollar for dollar redemption lost Shanghai speculators alone something more than $2,600,000,000 for they, like Judge Chao, seemed to think the bonds should be worth at least 1000 times their face value and kept scrambling to buy at $6000 to $8000. They got back $100 per bond from the government, not $100,000.

While this 1000-to-one ruling, if applied to all government bonds, for instance, might not break the government today, it assuredly would tax its coffers quite a bit and, along with the treasury, the motor car dealers who took full or part down payments in 1941 against cars that never have been delivered; importers, who took margin for imports that should have come here at the end of 1941 or early in 1942; savings societies, insurance companies, trust companies and banks of all nationalities, who also accepted pre-Pearl Harbor "fapi."

Recently we were eyewitnesses when a man who had borrowed CNC$50,000 from an American bank here against documents covering some cargo, repaid the loan in cash, with ordinary interest at the rate specified in his pre-Pacific War contract. The compounded interest was waived —"c'est la guerre," the bank manager smiled, although he knew full well the cargo, still in a godown, today is worth many, many times its original cost.

Not so long ago, too, we dropped in on our insurance company to bring up to date our 18-year-old life insurance policy, in CNC! We'd paid good CNC premiums in the days of two-or three-to-one, CNC to US dollars, that is—yet if we cashed in the surrender value today we'd receive just a couple of bucks. So, not knowing just what else to do, we paid the outstanding premiums and, like many others, live in steadily diminishing hope.

The worthy judge, it would seem to us, is a kindly man who felt all too sorry for the unhappy plaintiff, one of millions the world over who have seen a little fortune crumble to a mere nothing, for the depositor could have bought between six and eight hundred American dollars for his CNC$2000 at the time he deposited the money. Had he bought government bonds of any variety whatever, however, there's no doubt at all that he'd be getting no more than one for one today.

Judge Chao's decision is heart-warming, as cheering to the man in the lower brackets as a windfall, but we doubt that his legally unprecedented judgment will hold water long. With a new US-CNC rate established this week, the judge would have to raise the ante even more to protect the plaintiff's pre-war CN$2000. He'd have to raise the 1000-to-one, say, another 60 percent and that is simply too good to be true and makes the chances of his decision's survival not 1000-to-one but, we would hazard, much less than 1,000,000-to-one.

MASTER PLAN

Last week the Muncipal Government informed residents that they were not to repair sidewalks or streets or pass-ways abuting their property because private repairing might not conform with the "master plan" drawn up for the city. Yes, the city's householders, finding it necessary to wade through the debris to enter and leave their doors, might re-pave after ripping out the old. Using Chung Cheng Road and a few other streets as examples, we might guess that *re-paving* after ripping up old pavement is certainly not in accordance with the "master plan," which seems to call for great heaps of stone, asphalt and other rubbish permanently piled in the streets.

25 Years Ago In Millard's Review Of The Far East

August 27, 1921.

NEW ENVOY

The position of American Minister to China is one of the most difficult and trying stations in the entire diplomatic corps of the United States. It might not be too far reaching to declare that at this time it is the most difficult. China has reached one of the recurring national crises with the forecasted break among the tuchuns of the North....It is to a post charged with active assistance in the solution of national and international problems, internal and external, that Dr. Jacob Gould Schurman, the new American Minister, comes.

* * *

FOOLISH!

When Sung See of the Fou Foong Flour Mill Company went to America in 1897 and spent US$5000 in studying modern flour mills, his friends in Shanghai called him foolish; but Mr. Sung has proven his farsightedness. Today he is known as the father of the flour mill industry of China—the first man in this country's millions to see the possibilities in modern flour milling.

10 Years Ago in The China Weekly Review

August 22, 1936.

PEACE ENVOY

William E. Dodd, Jr., son of the American Ambassador in Berlin, departed from Shanghai for Europe August 19 after spending a short period here in the interests of the World Peace Campaign movement, which has as one of its main objects the sanctity of treaty obligations, with China being allowed to revise the unequal treaties.

* * *

THEATERS REORGANIZED

Judge Milton J. Helmick in the U.S. Court for China August 15 issued an order according to which the Cathay-Grand Corporation officially replaces the United Theatres Company, Inc., in accordance with a plan proposed by Dr. George Sellett. Att creditors are to be notified in writing before August 24 and are to receive their shares as of July 1, 1936.

Americans Involved In Domestic Issues, Forget War Lessons

By JOSEPH P. LYFORD

(Lt. Lyford, recently discharged from the U.S. Navy, was formerly Naval Public Relations Officer in Shanghai. Ed.)

New York, August 5.

AFTER four and a half years of service in the Navy I am back home. I do not like what I see, what I hear, or what I feel in our post-war America.

Perhaps the two short months I've had in the States haven't been enough to give me a correct impression of the way things are drifting here. I sincerely hope so. Perhaps one has a tendency to idealize one's own country when abroad. I have considered this possibility, but cannot refrain from drawing a pessimistic picture of these United States.

Old Nightmares Repeating

On the way home I stopped in Honolulu, Los Angeles, Kansas City, St. Louis and Chicago—large American cities of varied character. I read their newspapers and talked with their editors. I listened to the conversations on street cars, trains and restaurants. I talked to many discharged veterans to see if they were getting the same general impressions.

From these admittedly random sources, and from what I have gathered since arriving home, I have received an impression of futility, of old nightmares repeating themselves, and of discouraging phrases popping up again and again in daily talk. There is little optimism for the future.

If the United States has learned a lesson from the experiences leading up to and through the Second World War, the evidence lies far below the country's surface concern with the banalities of life. There is no denying that thousands of individuals sprinkled throughout the States are thinking deeply on the major problems pointed up by the war, but the collective frame of mind of America seems to have changed little.

Something In The Air

It is difficult to trace the roots of this impression. When I review the concrete source of my ideas on the subject, they seem sparse and inconclusive. Yet there are many intangible clues to the weather of public opinion which are valid and have played an important part in the building up of a cumulative impression. Maybe I could explain it by saying that there's something in the air, an oppressiveness, a humidity which builds up a feeling of frustration and disappointment throughout the land.

The kind of clothes we wear, our concern with small things, the utter fatigue that assails us when we attempt to discuss questions of prime world concern, the importance of a new car, the re-establishment of the homicide story as a page one banner headline, and the remoteness of Bikini have all been part of the seasoning that has flavored this impression.

Joke Taken Seriously

Amongst the specific incidents that have stayed with me is the dinner I had with a midwestern family several weeks ago. They spoke of a desire to "return to conservatism" and hoped in a hazy fashion that Senator Robert Taft of Ohio, the philosophical heir of President McKinley, might be our next Chief Executive. Subsequently my unbelieving ears heard the phrase repeated a score of times. Howard Vincent O'Brien, Chicago Daily News columnist, who proposed Taft's candidacy one day as a joke, was astonished to receive communications from readers applauding his suggestion seriously.

Still only a few months away from contact with China's shattering poverty, I remember the feeling of unreality that came over me when I learned that my boyhood Illinois home was still following its custom this year of contributing several thousand dollars to a public fireworks display for the Fourth of July. The display would strive to recreate all the explosions and pyrotechnics of the battlefield as an Independence Day thrill for the youngsters.

Little Learned From War

When one member of the community wrote an open letter to the newspaper asking that the money be donated instead to China relief, the reaction was a stony silence and no change in the scheduled exhibit.

Like the small instances of complacency, the big instances create the feeling that we have learned little of lasting value from the war experience, and the projection during the war of our minds onto a world plane. Most prominent example of our failure to cling to a world view has been the dismal fate of the United Nations.

UN Another Failure

Even at the height of its popularity with the public, the UN was rebuffed by residents of the area in which it proposed to locate its permanent headquarters. Today the activities of UN are back-page stuff, and often it is impossible to locate even a skeleton account of its daily work. A large portion of the public has already written the UN off as another idealistic failure and has turned its attention to other political pastures. The correspondent assigned to cover UN by a large press service has announced his intention to resign because of his opposition to the manner in which UN has been de-emphasized by his service.

Almost, it seems as if the war has become merely a phenomenon of the historical past, of interest only to writers and researchers and an occasional Congressional committee. With the disappearance of the military uniform from the public scene has also vanished the acute consciousness of the war itself and the disaster it represents. For it must be remembered that the only visible evidence of World War II here lay in the khaki, the blue uniforms of the young men; the blue or gold stars hanging in the window of families with sons in the services; and in the reduction of available luxuries.

Race For Dollar On

Like the people of China and of Europe, the people of the U.S. are exclusively concerned with the material aspects of everyday life—with this important difference: that while in China and Europe material things are being sought after in a desperate race against hunger and disease, the same material things in the United States are being sought after in a race to amass a surplus over and above any comfortable subsistence level. The American today in search of a 1946 automobile to replace his 1941 model appears as frenzied as the peasant who combs the alleys and trash barrels for a scrap of food. In China there is an acute shortage of rice. In the United States it is a question of butter, bonbons and nylons.

So many of the brave new plans that were conceived during the war have been forgotten. Veteran's housing blueprints to solve the shortage in living space for returning servicemen have been shelved. With the death of the wartime OPA and the attendant disappearance of rent ceilings, men who had fought for their country were evicted with their families, with no prospects of another place to live.

Too Busy To Bother

The plans to locate veterans in jobs, and see that they did not want for decent employment opportunities have been largely dropped in the face of the stark economic fact that American industry today is "crawfishing," i.e., pulling back into its shell of pre-war caution. At a time when the emphasis throughout the world is on the necessity of increasing production, many U.S. industries, such as the building business, have come to a standstill. The current battle over price ceilings, with its repercussions on wage policies, has made employers as jittery as they were during darkest depression days, and is threatening to bring on a new series of nationwide industrial strikes on the part of organized labor.

And so the battle between special domestic interests goes on, with the public filling the stadium to watch the show and paying top prices for inferior seats; while the battle to reorient our society along the world-wide lines indicated as imperative by the lesson of World War II is playing to smaller and smaller houses. The American is too busy to be bothered.

Honan Tractor Project Under Way, May Revolutionize Farming

By F. J. CHIH.

IN what promises to be the first organized big-scale effort in the history of China to modernize or mechanize its farming methods and at the same time save millions from the jaws of hunger, a giant UNRRA-CNRRA tractor project has now been launched 32 miles south of Kaifeng, the capital of Honan Province. More than 9000 mow or 1500 acres of fertile farmland were plowed and seeded during the last six weeks by 55 tractors equipped with tilling and sowing implements and manned by as many men.

The first group of 30 students, including two Communists, completed their training a short time ago, while the second group of 30 is receiving similar instruction from the first group of students and UNRRA-CNRRA technicians.

Fleet Of 2000 Tractors

The project would not have been started or would have been undertaken elsewhere but for the presence of the UNRRA-CNRRA Yellow River Project, UNRRA officials explained. They said that due to eight years of floods, farm boundaries were washed away, leaving vast strips of flat land, which makes tractor plowing suitable.

With the Yellow River Project getting under way, more and more land of this kind is being reclaimed and UNRRA expects to be tractor-plowing more than 2,000,000 acres in Honan alone before long. The other districts in Honan besides Fan Chia, the present site south of Kaifeng, included in this project are Neihsiang, Fangchen and Chenping, all of which are situated in western Honan.

Similar projects will be started in northern and western Hupei, the northern part of Hunan, including the lake region, and northern Kwangsi. Immediate operation is possible in Kwangsi where five tractors have been shipped already, while three more are scheduled to arrive in Liuchow shortly.

In all, UNRRA plans to import 2000 tractors complete with tilling and sowing implements, plus enough replacement parts for two years, as soon as they can be obtained from manufacturers in the United States and other Allied countries. Awaiting shipping to the above areas are 146 tractors now stored in warehouses in Shanghai.

Reds Ask For Aid

The UNRRA-CNRRA plowing project will not be carried out in areas where crops already are being grown, because it is UNRRA's idea to provide only work relief where it is most needed. The Communists have requested UNRRA to extend the tractor project into Communist-controlled areas also.

The Ministry of Agriculture and Forestry in conjunction with other Government authorities is considering this request. At present none of the Communist-held areas has been included in the expanded project but, as soon as permission is given to do so, UNRRA will extend its present project into Red Shantung, Shansi, and even into Manchuria.

This would then include almost all the wheat producing areas in China while smaller areas in Kwangsi and Hunan, which do not grow wheat, will turn their attention to the cultivation of vegetables and beans. Since UNRRA is mainly interested in getting the ball rolling, it does not contemplate converting or adapting tractors to rice-growing regions where the paddies are wet and waterlogged and where earthen banks used in keeping water also make tractor-plowing impossible.

Learn By Working

Under the learn-by-working project, with the first group of 30 graduates and the second group of 30 to complete their training shortly, UNRRA-CNRRA technicians are training the peasants to operate and maintain tractors. The work now proceeding consists of two eight-hour shifts daily, with trainees receiving instruction in night plowing, illumination being furnished by the tractors' headlights.

As this was the first time that tractors were used in Fan Chia or anywhere in China, considerable time was spent in digging up stumps of willow trees cut down for the purpose and of clearing tall weeds before plowing could get under way, while skeptical peasants also stood in the way. After meeting with the head of each pao or community in the area, CNRRA hired some 2000 laborers from both the villages and the refugee groups nearby to do the digging. They are provided with shelter, a noon meal of congee, two

FIRST TRACTORS FOR CHINA'S ANCIENT SOIL

Part of the farm tractors is shown on way to Fan Chia, 32 miles south of Kaifeng, Honan Province, by rail from Nanking. Altogether UNRRA plans to import 2000 of these machines for the UNRRA-CNRRA tractor-plowing project recently launched in Honan. Picture at right shows UNRRA superintendent of the project demonstrating to curious and somewhat skeptical peasants ability of the machine. "Just push a lever, it cuts even, and goes faster than your oxen, see!"

and a half catties of UNRRA flour and a small cash wage a day.

Most of the land plowed before July 1 was planted with beans, which are now at their flowering stage, while all land plowed after that date will be used for the sowing of winter wheat sometime in October. Cooperating with UNRRA and CNRRA in this project are the Friends Ambulance Unit, the Mennonite Mission and the Welfare and Medical divisions of UNRRA and CNRRA.

Post-UNRRA Plan Studied

It was learned that UNRRA and the Chinese Government are trying to work out some plan by which to continue the tractor project after UNRRA winds up with its activities in China by the end of this year or next spring. It is hoped, however, that the Ministry of Agriculture and Forestry can develop some methods by which to tractor-plow the waterlogged rice paddies, which comprise more than 50 percent of all arable land in this country.

If tractor-plowing could be adapted to rice paddies, not only would production be increased, but a great reservoir of surplus manpower will be available for other fields of production when China's program of reconstruction gets underway. Skeptics, however, have contended that it is not advisable to go so far as to displace the buffalo and his master from the paddies because China will then face a tremendous problem of unemployment, but this was the same contention put up every time a new mechanical device was introduced to take the place of human labor since the industrial revolution in Europe.

Owners Returning

As yet UNRRA, CNRRA and the provincial authorities have not encountered any problems arising from refugee owners who are beginning to stream back to claim the land reclaimed by the Yellow River Project and brought under cultivation by the tractor project. In the course of eight long years, during which time a great part of the country, especially Honan and Shantung, was flooded and ravaged by the war, most of these owners fled from their farms. Tens of thousands of them were killed either by floods or in the war, but a great number of survivors are flocking back after the war, or more precisely right after the project began.

Though small as compared to the objective of the project, it, nevertheless, is a problem in which fairness is the keynote to prevent the swallowing up of small farms by bigger land owners so often repeated in the history of China following every war or calamity.

Too Big Or Too Small

Another question to be pointed out is the ownership of or services from tractors. Since most of China's farms are either too small or too big, owning a tractor apiece is neither possible nor desirable. Big land owners naturally prefer to have nothing to do with financing the farms rented or leased to tenant peasants, and are not interested in buying tractors for them.

Also, individualistic as the Chinese are, can they work out some means of cooperative plowing when they are well on their own feet again? If not, what means are there to protect small farmers from going bankrupt when officials or big land owners—in most provinces there is not much difference between the two—with sufficient capital increase their production through the use of machines, and thus lower prices for grains, or when monopoly or bureaucratic capital puts in its ugly face as it already has in the sugar, textile, import-export and other fields right now.

These and other questions certainly merit serious—very serious—attention from the authorities connected with the project and with the future of China's all-important rural economy.

Site At Red Doorstep

Here, too, it is interesting to note the very fact that such a giant project, financed undoubtedly by the Chinese Government and directly or indirectly by UNRRA-contributing countries like America, is being launched at the very doorstep of the Communist-controlled territory, including most parts of Shansi, Shensi, Shantung, northern Kiangsu and Hopei. There have been consistent reports of land reforms in Communist areas, such as the parceling out of big land holdings to small tenant farmers and of increased production per capita as a result of such reforms. Such reports also brought to light the fact that land owners from these areas can do nothing except seek refuge in Government-controlled regions or cities.

Whatever the reason for choosing Honan as the site to begin the project, there are bound to be some very interesting and engaging facts in comparison with or in opposition to the Communist collective farm, if and when the latter is launched in each "soviet" of Red-held areas. At this point one can't help asking: Is the Fan Chia tractor project intended to grow more food or to disclaim possible Communist land reform influences over the great masses of Chinese farmers?

Experiment Being Watched

However, every intelligent and thinking Chinese who can take time out from worrying about the deplorable situation in China as a result of the civil war, hopes that the tractor project will become a success in Fan Chia as well as in other areas from Kwangsi to Hopei and even to Manchuria if possible. As far as one can see the only impediment lies in politics, as was shown in a number of cases in the past.

It is certainly to be hoped that neither party concerned will use the project as a weapon for some ominous political end. Honan, with Loyang as its center, was the cradle of China's civilization thousands of years ago. Honan, with Fan Chia as its center now, will in all probability become the cradle of China's agricultural revolution, provided, of course, that nothing is allowed to strangle the project in its infancy.

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7 Marines Unharmed In 11-Day Detention By Communists

By PFC. ROBERT F. BURFORD,

Marine Corps Correspondent

(EDITOR'S NOTE:—The following is a detailed account of the experiences of the seven U.S. Marines who were abducted and held for 11 days by the Communists in North China, in the first of the major incidents in which the Chinese Reds have been aggressors in what seems a concerted effort to so rouse public opinion in the United States as to bring about withdrawal of the U.S. Armed Forces from China. There was no excuse or justification for the kidnapping and detention, and none has been attempted. In the second of the major incidents involving U.S. leathernecks, the ambush at Anping, four Americans were killed and 11 wounded.)

Tientsin, China.

MARINES stationed at the various cities, villages and outposts in North China have many strange tales to tell of their encounters with the Chinese and their observations of the two sides in China's present civil strife, but few can equal the story brought back by the seven men of Charley Company, 1st Battalion, 7th Marines, who were captured by the Chinese Communists, held for 11 days and conducted on a "tour" through Communist-held areas. As "guests" of the Communists, they rode mulecarts from town to town, met and dined with the political commissar of the military district they were captured in and, as one of them stated on his return to Marine headquarters, "We would have had a fine time—if we hadn't been so scared."

All of the seven were members of the detachment guarding Bridges 99-102 on the Peiping-Mukden Railway which marines are assisting the Nationalist Army to keep open. Life in these outposts is lonely at best and when an opportunity for a celebration presents itself all members of the Liu-Shou-Ying detachment are willing. Such an excuse turned up on July 13 when word was received that one of the members, Private First Class James W. Shipley, of Armbrust, Pennsylvania, would soon be leaving for the United States and discharge. Added incentive was the fact that Shipley's twentieth birthday would occur July 16.

9 In Original Group

Shipley, seven friends—Sergeant John J. Herndon, of Fallon, Nevada; Pfc. Robert P. Wright, Jr., of Yakima, Washington; Pfc. Wallace R. Maish, of Kokomo, Indiana; Pfc. William O. Wick, of Shaker Heights, Ohio; Pfc. John William Mahoney, of Chicago, Illinois; Pfc. George A. Sullivan, of Chicago; Pvt. Arthur Maldonado, of Des Moines, Iowa,—and their number one boy, Rusty, hopped in a jeep and trailer and set out to purchase ice to cool the beer and cokes for the celebration. Thirty minutes' travel over a rough muddy road brought them to the small village of Hsi-Ho-Nan, about three and one-half miles from their base and where they had procured ice previously.

Paying little attention to the crowds of Chinese who had gathered, the men started bargaining for the ice. First indication of the presence of hostile troops came when the marines looked around and found themselves completely surrounded by armed, uniformed Chinese who had their rifles pointed at the marines' midriffs in a very business-like manner. As Sergeant Herndon put it, "I knew we were goners if we made a move for our rifles, so we just called it quits."

Mahoney, Boy Overlooked

The Chinese immediately collected the marines' rifles, hurriedly searched them for concealed weapons, and rushed them through the streets of the village, in and out of houses, and on out into the open country. There they formed a column with the prisoners in the center. For five miles the column alternately marched and ran. The Chinese, apparently fearing pursuit by other marines, wished to put as much distance between the village and themselves as possible.

Overlooked in the excitement of the capture, both by the marines and their captors, were Pfc. Mahoney and the number one boy, Rusty, who were inside the icehouse at the time. They took one look at the Chinese, later identified as Communist troops, and decided that the icehouse was a pretty pleasant place to stay for the time being. Only the iceman knew they were there and he, friendly to marines, did not inform the Communists. After 20 minutes of waiting, Mahoney decided the coast was clear and sent Rusty to the door to investigate. No one was in sight, so the two made their way back to Liu-Shou-Ying, where they reported to their company commander, Lt. D. L. McKinney. After alerting the area, Lt. McKinney led a patrol to the scene of the kidnaping where the jeep and trailer were recovered. No sign of the missing marines could be found.

Thus started a search which continued for six days under the personal direction of Colonel Charles C. Brown, of Washington, D.C., "old Marine China hand," and now Assistant Chief of Staff, G-2, Marine Forces, China, and which was abandoned only upon the arrival and at the request of a special field team from Executive Headquarters, Peiping.

Boiled Eggs And Tea

After their initial five-mile forced march, the Communist patrol entered a small village where they obtained two-wheeled carts, pulled by a single mule, for the marines to ride in. Springless and mounted on ancient, solid-wooden wheels, these wagons provided the Americans with many jolts and resulting sore joints. At about 11 o'clock that night, four and one-half hours after their capture, the Marines and Communists entered another small village where the Chinese fed the leathernecks boiled eggs and hot tea. Clean, dry peasant clothing was provided to replace their muddy, sweat-saturated uniforms and then the marines were allowed to sleep. Their first night in the Communists' hands was spent in fighting off mosquitos and private speculation on their plight. None of the Communists could speak English and the boys' Chinese was limited to "Ding Hao" (very good), an expression which was hardly applicable in this situation. No harm had come to them as yet, but neither had the Communists explained why they had been captured nor what was to be done with them.

At 4:00 o'clock the morning of July 14 they were awakened, fed boiled eggs and tea, and once again loaded into carts. "This time," Sergeant Herndon grinned, "we advanced a step in the world of transportation. The carts were of the same type and just as uncomfortable as those used before, but now we had two mules hitched up instead of one."

Release Promised

Another half day's travel brought them to a small village. There they were taken to the wealthiest home of the town, a well-furnished, stucco-type building with rug-covered floors and mirrors and pictures on the walls. There the seven met their first interpreter, a Chinese with a slight knowledge of English. He assured them that they would not be harmed and that they would be released in five days. Their hopes raised by this statement, the marines spent a comfortable night in soft, low Chinese beds.

When the interpreter arrived again in the morning, he asked what kind of food the men desired. The diet of boiled eggs and tea had grown tiresome, but in China, where all water must be boiled, where refrigeration is practically unknown, and where extreme care must be exercised even in the choice and preparation of fresh vegetables, a foreigner is rather limited in choice of food, unless he knows its origin and mode of preparation. After a short discussion the marines settled for boiled rice and scrambled eggs. The interpreter was unable to understand what was meant by scrambling, so Shipley supervised their cooking.

Brandy For Birthday

Reports that companies of marines were searching the area evidently reached the Communist leader for it was decided to again move the captives. Carts were once more requisitioned from the villagers and the column moved on. The next village entered was larger than any of the others and contained a bank, a Catholic church and mission, and several wealthy homes. Once again the captives were lodged in a large house and another interpreter was

sent for. "We spent the 16th here," Sergeant Herndon stated, "and when the interpreter found that it was Shipley's birthday, he notified the Communist commander and two bottles of brandy were sent over. It was a peculiar way for Shipley to spend his twentieth birthday, but at least we had a celebration." None of the marines learned the name of the town, but intelligence reports state it probably was Lo-t'ing, about 20 miles inland from the coast and 80 miles south of Chinwangtao.

By this time the marines were starting to eat the Chinese food set before them. A diet of boiled eggs is not very filling and the presence of interpreters allowed them to give instructions as to the preparation of their meals. Their American cigarettes were all gone, but the Communists were quite willing to give them Chinese brands, greatly different from American tobaccos, but still a smoke.

When news of the capture of seven men reached Marine headquarters in Tientsin, Major General Keller E. Rockey, Commanding General, Marine Forces, China, sent Colonel, Brown to the headquarters of the Seventh Marines to take charge of the search. Companies of marines patrolled the area on foot looking for any trace of the missing men. Light observation planes were sent from Marine Observation Squadron Three at Tientsin to search the area from the sky. Amphibious DUKWS (ducks) traveled along the beaches, entering the ocean when the land was impassable.

Patrols Close In

Intelligence reports from Marine and Chinese Nationalist Army sources were evaluated and each lead acted upon. From those reports it was definitely established that the missing men were in the hands of Communists and not bandits. Coordination of all intelligence was so effective that Colonel Brown was not only able to trace the exact movements of the Communist band, but also to predict accurately their future movements. Such minute details as what the marines were fed their previous meal and whether the dog Stumpy received a meat ration or not could be culled from the various reports. The reports also showed the men's route to be southwest from their point of capture through Changli to Lo-t'ing and from there on to Pen-Ch'eng-Chen.

Marine companies were fast closing in on the captors and one Chinese civilian had volunteered to lead patrols to the spot where the marines were held when it was determined that the missing men were probably in the custody of Communist soldiers. Once this was established, it was decided that negotiations should commence. Chosen as the medium for mediation was the U.S. Army's Executive Headquarters in Peiping, which had gained experience in such matters while working to enforce the cease-fire order in China's civil war.

Special Team Sent

General Rockey, through Mr. Walter S. Robertson, American Commissioner at Executive Headquarters, requested assistance from the Communist Commissioner General Yeh Chien-ying. Since it had not been conclusively proved that the troops holding the prisoners were Communists, General Yeh requested that a special field team be sent to the area to assist Colonel Brown in his search and negotiations. Colonel Morris Martin, U.S. Army, Colonel Chen Ch'ien, Chinese Nationalist Army, and Lieutenant Colonel Lee Kwang-tze, Chinese Communist Army, were chosen as members of the team.

Leaving Peiping by air on July 16, the special field team joined Colonel Brown July 17. By the following day word had been received from the Communist headquarters of the area that the Marines were well and in their hands. Colonel Brown and the team then agreed that all ground and air search units would be called back while negotiations were instituted.

Meanwhile, the captive Leathernecks had been moved from Lo-t'ing about 15 miles northwest to the town of Pen-Ch'en-Chen. There they were taken to a large school where they spent an uncomfortable night trying to sleep on the desks. Two of the Communists guarding the school could speak a few words of English and they told the marines the name of the town and that they were in the Lan Shan Middle School (China's middle schools correspond to high schools in the U.S.).

"To See And Judge"

On July 18, their fifth day of captivity, two new interpreters. Mr. Ko and Mr. Wong, were assigned to accompany the marines. Evidently some important event was in the offing for one had sufficed previously. Shortly after the interpreters had arrived the men were taken to the Communist headquarters where they were introduced to the political commissar of the district in which the marines were kidnapped. Through the translator he told them that they had been captured to "see and judge the Eighth Route Army." He further stated that at the end of their tour of the Communist army they would be returned unharmed to their headquarters.

The commissar then instructed the marines to write a message to their commanding officer, the contents of which he dictated. Sergeant Herndon wrote, "We are well now and have been all right so far as everything is fine. We are headed for the Commander-in-Chief of the Eighth Route Army, which will take about three weeks, we are told. Our life is at their trust. They want us to judge their army and see it." The seven marines then signed the note with their name, rank and serial number. Despite the assurances they had had from the various Communists, the leathernecks still did not trust them. Sergeant Herndon signed the note "PFC Herndon" and continued to give his rank as PFC, because, "A sergeant is pretty high in their army and I didn't want them trying to get a lot of information out of me, especially since we still thought that they might resort to torture."

B-29 Rescue Recalled

Business over with, the commissar discussed the political situation in China with them and then told how his unit had rescued, concealed and smuggled back to their base the crew of an American B-29 which had crashed near Liu-Shou-Ying in 1943. Two of the Americans had committed suicide rather than be captured by the Japanese, but the remainder of the crew had been hidden by the Communists and later taken back through the Japanese lines to their base in the interior of China. The Communists had pictures showing the American airmen talking to the Chinese shortly after the crash.

That afternoon the men bathed and were shaved by a Chinese barber. Orders were given that the men were not to be allowed to shave themselves—either the Communists feared the marines would attempt suicide or make a break for freedom with the razor as a weapon. In the evening the seven again went to see the commissar, this time to dine with him. A typical 14-course Chinese meal was served, consisting of rice, fish, sweet and sour pork, chicken, bean sprouts, and so on ad infinitum. Apparently the marines did not appreciate a steady diet of Chinese chow for Herndon's statement upon arrival at his headquarters after 11 days of such rations was, "These Chinese can really put out some delicacies in the way of food, but there's no nourishment in it. Give me steak and potatoes any day."

Followed By Crowds

From July 19 through July 22 the marines spent most of their time lounging around the village, swimming in the nearby river, washing

their clothing and listening to explanations of the Communist aims and accomplishments in that sector of the country. The accompanying interpreters showed what the Japanese had done to the village and explained what they were attempting to do to rebuild it. No guards accompanied the prisoners on these tours of the village since escape was virtually impossible through all of the guards around the village.

The residents as in most of the other towns they had passed through were very curious. The interpreters explained that many of them had never seen an American before. Crowds followed the marines wherever they went, but there was no trouble.

One evening the Americans borrowed a basketball from the middle school and started shooting baskets among themselves. Several of the Chinese soldiers gathered to kibitz and soon challenged the marines to a game of Chinese volleyball. A nine-man team was used so the Communists loaned two men to the marines. "Those two didn't do us much good," commented Herndon. "We lost the game and I guess we lost a little 'face' at the same time. It was funny to see those Chinese playing games with their pistols on. Maybe they even slept under arms."

Branded "Ungrateful"

That night an officer called them in and started asking questions about their home states. Citing their rights under international law as prisoners of war, the marines refused to make any statement concerning anything other than their name, rank and serial number. Angrily, the officer ordered them to leave, and the interpreter termed their action as ungrateful. No further mention was ever made of the incident however.

The morning of July 22 a new interpreter, Mr. Li, was sent to the prisoners. Mr. Li, who stated he was a graduate of Princeton University, Princeton, New Jersey, had an excellent English vocabulary and could speak very fast. Previous interpreters could translate only when the men spoke clearly and slowly and the seven had taken advantage of this by talking fast among themselves. "This guy Li," said Maldonado, "had us there, though. I think that he could talk faster than we could."

Mr. Li confirmed the rumor they had heard previously that a special field team was negotiating for their release and stated that they would soon be turned over to the Americans. Apparently determined to convert them to the Communist cause, he spent most of the morning lecturing on the history, accomplishments and advantages of that type of government for China.

Pose For Photo

Once again the marines were invited to dine with the commissar and his intelligence officer. At the conclusion of the usual 14 courses, the marines, the two high-ranking Communist officials and the interpreter posed for a picture.

That evening Stumpy, the marines' dog, which had accompanied them on the entire trip proved his value by making "much face" for the United States. The Communists had long been trying to match Stumpy with some of the local dogs, but had not yet found one which would attempt to fight the Marine dog. Tonight they had outdone themselves and produced a large, fierce-looking brute which they were determined to have Stumpy fight. The marines argued the case for a while, but finally someone turned Stumpy loose. The ensuing battle ended with the Communists tearing the two dogs apart and sadly carrying their ex-champion from the field. Stumpy had saved the day and made up for his masters' previous defeat on the volleyball court.

Release Terms Agreed On

Meanwhile the field teams had started their negotiations. The Communist member had communicated with the Communist leaders of the area, messages had been exchanged and the agreement reached that the marines should be released. To effect this agreement the field team and Colonel Brown had loaded jeeps aboard the train at Peitaiho Junction, traveled by rail to Chang-li and unloaded. The Communists finally agreed to release the marines if they would sign a statement that they were physically well when released and had not been mistreated during the time they were held.

Terms arranged, the team agreed on Ni Ching as the exchange point. Driving jeeps the members of the field team traveled to the village on July 24 to await the arrival of the seven marines. Only field team members are allowed to enter Communist territory, so Colonel Brown waited for them at a Nationalist outpost near Chang-li.

Rifles Returned

On the morning of July 23 the seven marines knew that some progress was being made for their release. They were taken before the commissar again. He bid them goodbye and gave each a print of the picture taken the night before. They were then allowed to inspect their weapons. "It's a good thing we weren't up for inspection before our CO or we'd have been in the brig for a month. The bolts were rusted almost shut."

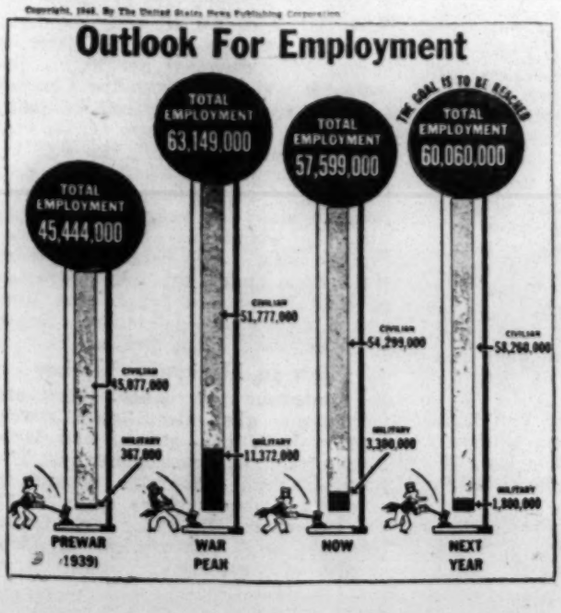
They then started backtracking towards Lo-t'ing, arriving there in the afternoon. There they were fed and given a place to sleep. All of the seven agreed that "This was the best nights' rest of the whole deal. We had a good sack, but the main thing was we knew we were about to be released."

The next morning they started towards Ni Ching. Nearing their destination in the afternoon, they met a member of the field team in a jeep. Arriving in Ni Ching at 4:45 o'clock in the afternoon they were given prophylaxis treatment against dysentery in the event they might have picked it up on the trip, were fed "10 in 1" rations, and examined by a Navy medical officer who stated that the condition of "all seven marines and their dog is excellent." The men then boarded jeeps and started on the return trip to report to Colonel Brown.

Farewell Dinner Declined

The Chinese Communists wanted to hold another banquet just to show that there were no hard feelings, but the marines were anxious to return to their units.

At the first Nationalist outpost they met Colonel Brown, related their story and then returned to their company. First question asked upon their return to their own unit was, "where's the ice?", something which had completely escaped the minds of the seven travelers.



13,000,000 Tons Of Steel Lost In U.S.

ONE of the critical shortages of essential materials in the United States during the next six months will be steel, 13,000,000 tons of which was lost in the strikes of the first six months on 1946. This huge quantity of steel could supply 1,000,000 homes with a washing machine and a stove each, plus 1,700,000 automobiles, 50,000,000 one-quart tin cans and all the bale ties made for farmers in the last nine years.

This loss is about 16 percent of the total estimated output for 1946. Since steel sets the pace for industry its rate of production determines the reconversion program to a great extent.

Steel supplies promise to fall far short of demand in the third quarter of 1946 and will only slightly ease towards the end of the year. Altogether the steel supply is expected to be short of demand for another six months.

Hainan Island, Developed By Japs, Has Great Mineral, Agricultural Wealth

By A REVIEW CORRESPONDENT

Haikow, August 10.

ASIDE from a very brief mention in the newspapers sometime ago when Dr. T. V. Soong visited the island among other places on an inspection tour of southern China, Hainan is perhaps one of the most unpublicized yet potentially important and rich regions in the country. For one thing it is the southermost frontier and is the only region in all China with a tropical climate. When the Chinese finally get around to rebuilding their country Hainan will be the site of one of the three main naval bases as laid down by Dr. Sun Yat-sen in his plan for the reconstruction of China. Though relatively undeveloped when the Japanese occupied it in February, 1939, Hainan had to a certain extent become Manchuria's counterpart in the south when the Chinese took over last August.

Japs Improve Harbor

Your correspondent left Canton on June 1 and arrived at Haikow, a port on the northern end of Hainan, five days later. The first sign of Japanese influence in Hainan was afforded by the improvement to the harbor, the port itself and development of the surrounding area. At the mouth of the largest river, the Nan Tu, the harbor at present is badly silted like many other coastal towns of the island, because of the frequent torrential downpours that swell the rivers which in turn carry a great quantity of soil to their mouths. The headwaters of this river, which flows out to the north, however, offer excellent hydro-electric development possibilities as subsequent surveys showed.

The next boat, which was a Japanese fishing schooner, took us to Paksou on the southwest side of the island. It is located on the sea edge of a non-productive sandy area which is arid about six to eight months out of the year and which is extremely narrow, being backed by mountains. Before the war Paksou was a small and unimportant port. Following their occupation the Japanese found iron deposits of quite good quality about 20 miles from Peilai, some 14 miles from Paksou. Iron mined by the Japanese near Peilai was shipped to Paksou where the Japanese installed wharf facilities, modern loading equipment, and breakwaters. They also installed a railway line from the iron mines to Peilai and on to Paksou. Yulin, the southernmost port of note on Hainan, was also connected by the same line.

Yulin, Biggest Naval Base

About half-way between Paksou and Yulin, the Japanese built a large hydro-electric installation. It is reported to consist of a very large concrete dam equipped with five penstocks, only one of which is in operation. From the penstock in operation the hydro-electric plant runs 5000 kilowatt turbines. The plant supplies power for the mines and the electrical loading equipment at the port of Paksou.

Yulin, the proposed site for the biggest naval base in South China, was also an unimportant port before the war. Although a coast guard cutter was based at the port the Chinese customs never had an office here. Looking out to the vast expanse of South China Sea, Yulin has an excellent bay five miles long which is capable of accommodating ships of up to 30 foot draft. The bay is well protected on both sides by jungle-covered mountains. The Japanese found iron deposits some 12 miles north of the bay and worked them all through the war. By now they appear to have been about worked out, but there are indications that further exploration will turn up additional large but untouched reserves of iron nearby. Yulin has an oil burning power plant, which supplied power to the mines nearby and the port facilities before the construction of the hydro-electric power plant between Paksou and Yulin.

Rubber Successfully Grown

Protected from the winter monsoon by the Five Fingers Mountains in central Hainan, the southern half of Hainan is tropical in climate. Situated in rich and well watered tropical soil, Yulin is a potentially rich agricultural area. Prior to the war Chinese agricultural experts were reported to have carried on successful experiments here in the growing of sugar cane, rubber, hemp, pineapples, rattan and other tropical products. When the Japanese occupied Yulin they continued and expanded the program started by the Chinese. Remnants of a Japanese agricultural experimental station still stand out as a strong reminder. Some idea of the productiveness of the area can be gained from reports which stated that the Japanese shipped more than 1,000,000 tons of agricultural products from Yulin yearly.

The Japanese also turned Yulin into a fishing center. They built a large ice plant for storage and other fish storage facilities here. Large catches, brought in from the China Sea, were processed at Yulin and then shipped to Japan. That part of the sea is well stocked with fish. When we left Yulin our boat ran parallel to huge school of fish for more than half an hour.

Here, too, the Japanese had built light ship repair facilities, wharves, machine shops and other installations. The Japanese constructed a navy supply depot with wharves and warehouses having approximately 300,000 square feet of storage space on Samya, which is across the Yulin peninsula. The wharf has a 10-ton crane.

Better Than Hawaii

Given sufficient attention and encouragement by the government Yulin has a bright prospect. The climate, water and soil are far better for plantation development than Hawaii. There are good hydro-electric possibilities and fishing can easily become a flourishing industry here. Like most of the islanders, the people around Yulin appear extremely primitive. Children wear no clothes. Agricultural implements are equally primitive, although farmers have many buffaloes which they use to plow their fields.

During the latter part of the war, American bombers took a heavy toll of Japanese shipping in the harbors and coastal waters of the island. However, the port facilities and inland communications were virtually left intact, possibly because a landing was contemplated in that part of the country.

Hainan is situated at the southern tip of Luichow Peninsula, being separated by the Strait of Hainan which runs from 15 to 20 miles wide. The island is about 160 miles long and 60 miles wide, stretching from 18 to 20 degrees north of the Equator. On its west coast is the Gulf of Tongking. On the ground that it is uncomfortably near French Indo-China the French entered into a treaty with China and managed to exclude western influence from the island with the exception of the port of Haikow and Kiungchow, the capital. Playing on the same theme both the French and British asked for an official explanation from Tokyo when the Japanese occupied the island with slight Chinese resistance back in 1939.

Savage Aborigines

The inhabitants of the island are generally classified into three groups: Chinese immigrants from Fukien Province who live mostly along the coastal areas, Shu-li (civilized aborigines) and Sheng-li (uncivilized aborigines.) The Shu-li look somewhat like the Chinese, while their savage counterparts are generally believed to be connected with the Laos of Siam and the Lolos of interior China. The Sheng-li are highly intractable and have given the Chinese administrators a good deal of trouble since a century before Christ was born. It was not until 111 B.C. or when Emperor Wu-ti of the Han Dynasty began his expansionist campaign against his neighboring tribes that the island was brought under Chinese rule. The island has ever since been under the administration of Kwangtung and for a long time was a place where delinquent officials were deported from Peking.

Rich In Minerals, Timber

Throughout the island there are indications that iron, gold, silver, copper, lead, tin, quartz and lapis lazuila exist in great quantities. The jungle-covered mountains abound in excellent timber such as eagle wood, rose wood, and liquid amber. Other tropical and sub-tropical products consist of rice, cotton, sugar cane,

sweet potatoes, ground nuts, cinnamon, indigo, tobacco, pineapples, jackfruits and birds' nests.

Mere Wishing Not Enough

But merely wishing is not enough. Right now most of the harbors, especially that of Haikow, the port of the island's capital, need dredging very badly. There is no reason why the Government cannot begin developing the island's existing projects, which have been more or less neglected with a minimum of attention, and the numerous resources, as it is safely tucked away from such military and political disputes as those areas in the north. Here is where the Government and UNRRA can safely launch any production project. But it must be cautioned that any more official bungling is neither necessary nor desirable in a place like Hainan. One year's administration of Taiwan is a bad enough example already. For Hainan, with all its possibility and potentiality for a bright prospect, the old proverb of "Well begun is half done" still holds true.

U.S. War Plants Sold To Large Firms

LARGE industrial plants built by the American Government during the war are passing into private hands, with smaller interests unable to handle the purchases and the large corporations proving the only buyers. Of the US$11,500,000,000 invested by the Government in war plants, almost a third has been sold to private enterprise, and the large-scale buyers figure prominently in the process.

One of the largest steel plants, the Geneva, Utah, giant, went to the U.S. Steel Corporation for US$47,500,000, although it cost US$202,500,000 to set up. The U.S. Steel Corporation plans to add US$18,000,000 worth of new equipment to the Geneva plant.

Blast Furnaces

The US$117,000,000 worth of blast furnaces built by the Government during the war went to large steel plants near which they were located.

A similar trend is witnessed in the synthetic rubber plants, pipe lines—the Big Inch and Little Inch, carrying crude and refined oil from Texas to New York,—aluminum plants, magnesium, tin and electrical equipments factories all went, or are in the process of going, to large owners.

Only in the chemical industry, have small firms held their own. Most ammonia and nitrogen plants sold went to small producers, who will supply fertilizer to the Department of Agriculture.

On the whole, the Government war plant disposal scheme will not seriously change the pattern of industrial ownership in the United States.

Beautiful San Fernando Fast Becoming World's Biggest Munitions Dump

By EDWARD ROHRBOUGH

San Fernando, La Union, Luzon, P.I. August 6.

COME to beautiful San Fernando and you'll find irritated, fouled-up GI's, irritated, fouled-up officers, and irritated, fouled-up merchant seamen. You will also find what the Ordnance Officer of the local Base M believes is the largest ammunition dump in the world—100,000 tons. You will find a few reminders of the war that was fought around here as a sector of the landing of MacArthur at Lingayen. A couple of rusty hulks, ripped apart by American bombs, loom up in the green water to show what happened to such Jap shipping as was here. A few battered LCI's show what happened to some of the American infantry when it hit the beach.

But confusion is the predominant impression San Fernando and Base M give to anyone who is connected with the business of transforming the base to a permanent institution of the old style U.S. Army bases, dispersing it altogether, or building it into a bastion—no one seems sure which. Base K on Leyte regarded your correspondent with suspicion because he asked the camp commander, one Colonel Arnold, where all the ammo was being sent and why. The Base M officers just laugh bitterly at such questions. How do they know?

Just A Merry-Go-Round

One junior officer gave this example as being typical of Base M's ammunition shifts:

"A ship came in here and unloaded at No. 2 Dock. Trucks hauled the ammo 54 miles back in the country where it was inspected. Then they loaded it back on, hauled it back to the other side of No. 2 Dock and it was loaded on another ship to be taken back to the States."

He pointed to a ship recently arrived, the S. S. Anchorage Victory.

"There's a ship that's doing us a real service," he said. "She's just brought a load of ammunition from the States."

Of course, the loading isn't as simple as a single sentence makes it sound. According to the chief pilot of the harbor, average loading time is between six weeks and two months. Time for unloading is not much less, so officers and seamen of the Merchant Marine are constantly irritated and fouled-up about the delay. At least three of the ships in the harbor started out for Europe eight or 10 months ago carrying relief supplies and manned by crews who understood they were going to be back in a couple of months. Then they were diverted to the Pacific and they've been here ever since. The older seamen are aghast at the waste of having so many ships tied up so long for so little reason, and they're forever shaking their heads and commenting that the shipping companies would never stand for such nonsense if *they* were running this show. The younger seamen are just like the GI's here. They want to get home.

Filipino Complacent

The Filipinos of the town seem more complacent than the Americans here, but they seem a bit at odds with the Manila press (entirely pro-Roxas) which is circulated here. We have talked only to the plain people—cargo-checkers, truck-drivers, bar-girls and the like—but they are in pretty close accord that the Hukbalahaps are not bad people, that Jose Laurel was certainly a traitor, and that Roxas, himself, was not quite as anti-Jap as he should have been. The press, on the contrary, is busy trying to sell the idea that Laurel was actually a patriot who lightened the burden of Jap occupation for the people and that this talk of collaboration is out of date anyhow. The plain people among the local Filipinos don't agree, but they are rather complacent and we wonder, when we talk to them, if maybe they stayed home during the election.

Probably the closest thing to peace of mind and contentment around is enjoyed by the Jap prisoners of war who load the ammo from the ships to the docks and vice versa. They have excellent organization, good discipline, and plenty of energy, and they work like just what they are—products of an absolute military system. They impress their GI overseers almost as much as Mussolini's trains and Hitler's 100 percent employment used to impress American tourists.

Commitments To China

It's probably the "biggest ammunition dump in the world" that causes the confusion, one way or another. The Ordnance Officer confided in us that he hated to see us coming (S. S. Donald M. Dickinson, loaded to the gunwales with ammo and detonators of all sizes), because we would just add to the pile he was trying to reduce. He didn't elaborate on his efforts, but one of the civilian ammo inspectors did.

"A lot of it goes back to the States for training purposes. Some will be dumped in the ocean. Some will be sold to the Filipino government, and we have commitments to China," he said.

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NEWS OF THE WEEK

Negotiating Parties Burn Parley Bridges

CIVIL war in China has been going on for some time, but it was only early this week that an official call to arms was sounded by the Chinese Communists in a broadcast from Kalgan. The Government in turn issued an ultimatum to the Communists which declared that unless the latter cease their attacks against Tatung, the Nationalist armies would attack one of the three Communist strongholds—Yenan, Kalgan or Changteh.

From the tone and tenor of both the Communist call and the Government ultimatum it appeared that both parties had decided to burn their negotiation bridges behind them and resort to a purely military solution of the China problem.

Call To Arms

The Yenan order, broadcast from Kalgan, which was strafed by Kuomintang planes the very next day, called upon the 130,000,000-strong population of Communist China to "shatter Chiang Kai-shek's offensive," and was the second time that Yenan had called for a mobilization of the population. The first order was issued against the Japanese in 1937.

Scarcely two days after the Yenan order broadcast, a counter-offensive was reported developing on the side of the Nationalist troops, intended to re-capture points lost on the Lunghai Railway last week. Concurrently with this report Communications Minister Yu Ta-wei declared that the Government was mapping a concrete plan for a solution of "China's current problems," based on Generalissimo Chiang's August 14 statement. This plan, when completed will be submitted to the Communists for their reference, Minister Yu declared.

Talk of broadening the Government basis was heard all week long, without any high-standing official coming out with a clear cut statement to the effect.

The Anping Incident probe which dragged on into its fourth week, was a miniature reflection of the procrastination evident in the Kuomintang-Communist talks on the China scale.

The Communist delegation in Nanking, headed by Chou En-lai, has requested the Government to include the representatives of other parties and groups and non-partisans in the Chinese delegation to the peace conference in Paris.

India Government Plan Starts Riots

Within four days of the beginning of Hindu-Moslem riots in Calcutta, more than 3000 people were reported killed and thousands injured in street fighting which developed following the Moslem "Direct Action Day" order. British troops stood by and intervened where possible, but could not prevent the spread of communal strife. Hospitals were filled to capacity, bodies were piled up on the streets and in gutters amid uncollected garbage. The specter of epidemics cast its shadow over Calcutta while vultures picked the bodies of the dead.

The "Direct Action Day" organized by the Moslem League, headed by Ali Jinnah, in protest of the invitation extended by the Viceroy Lord Wavell to Pandit Nehru to form an interim Indian Government, was said to be a direct outcome of the active boycott of the Moslem League of what it termed "British-Congress conspiracy to wipe out the Moslems."

Former Chairman of the All-India Congress Party Maulana Azad, placed the blame for the riots on the Bengal Government. He declared that the Government had taken no action on August 16 when organized bands attacked shops that were not closed on the occasion of the Hartal (strike). The attackers shouted Moslem slogans and their partisanship was clear, he said. The Government allowed a "Direct Action Day" without taking any precautionary steps when disorders were evidently to be expected. The declaration of August 16 a public holiday by the Bengal Government made matters worse, Azad declared, officially giving sanction to the observance of the "Direct Action Day." This had given hooligans and ruffians the idea that the Government was behind them in whatever they did, he added.

President of the Moslem League, Ali Jinnah, had called for a peaceful observance of the day, but was unable to do anything to stop the disturbances once they began. Students shouting pakistan slogans paraded through the streets of Bombay, Delhi, Lahore, Lucknow and other North Indian towns, where Moslems observed the hartal—stoppage of work.

The formation of a Congress Government, headed by Nehru, was considered certain, in spite of the Moslem League's refusal to cooperate.

Teheran Apprehensive Of Troop Movements

Following the labor conflict in the Anglo-Iranian Oil Company which "threatened British interests" in Iran and necessitated the dispatch of British Indian troops to Basra in Iraq to be on hand for "any eventuality", Teheran government circles expressed uneasiness over the current development.

Iranian Ambassador to the United States Hussein Ala's statement that Soviet troops were massing on the northern frontier of Iran was denied by Moscow Radio which termed it "pure fabrication."

Persian Arabs, a minority in the south-west Persian province of Arabistan (at the head of the Persian Gulf), through their spokesman Sheik Abdullah, who was on his way to the Arab League in Cairo, appealed for aid to "save the province from the brutal acts of the Persian Government." The Arab leader also appealed to the Iraq Government against the "aggressive attitude" of the Persian Government toward the Arab population of Arabistan.

A movement was afoot to separate the province from Iran and incorporate it with Iraq. The province of Arabistan adjoins the Iranian Khuzistan, site of the Anglo-Iranian oil fields.

The official British communique from New Delhi declared: "Troops were sent to Basra to protect, should circumstances demand it, Indian, British and Arab lives."

Conference Hears Treaty Pleas

Following Italy, Rumania, Hungary and Bulgaria, Finland pleaded her case before the Paris Peace conference, asking for a revision of territorial adjustments with the Soviet Union, on the assertion that this loss of territory was ruinous to the country as a whole.

Bulgaria, in her appeal to the conference, declared that her army "did not fight on any front against the anti-Hitler coalition," but at the same time admitted "the shameful alliance with Germany which finally led it to declare war on the United States. Bulgarian Foreign Minister George Kulishev told the conference that the Bulgarian army was merely used as an occupation force and that "not a single soldier fought against Yugoslavia or Greece."

Greece which had been attacking Yugoslavia and Albania at the peace conference, was in turn attacked by the Ukranian and Polish delegations, accusing Greece of preventing peace in the Balkans.

While the treaty talks went on in Paris a serious dispute developed between Yugoslavia, and Great Britain and the United States, over incidents which occurred between American and British troops on the one hand, and Yugoslavian troops on the other. The incident took place on July 12 and resulted in the death from Allied fire of two Yugoslav soldiers. The dispute centers around the question as to which troops had crossed the border in Venezia Giulia.

The British Government sent a note to the Polish Government protesting over "irregularities" in connection with the Polish referendum held on June 30, where it was alleged that basic conditions for a free and democratic vote were not observed.

Pu Yi Testifies At Tokyo Trial

Henry Pu Yi, last emperor of the Ching Dynasty and Japanese puppet emperor of "Manchukuo" was last week brought before the Tokyo International Military Tribunal to testify in the current war crimes trials.

His excuse for collaboration with

the Japanese was based on the assertion that he thought of "training a Manchu army and civilians and wait for a chance to join with the Chinese to fight the Japanese, so I entered into the mouth of the tiger." He declared that he had never signed either treaties or documents, which the Japanese issued in his name without ever consulting him.

He told of the meeting with Lord Lytton, leader of the League of Nations Commission on Manchuria, and said that he was afraid the Japanese would murder him, if he revealed the true state of affairs in his "empire."

Questioned as to whether he ever considered the restoration of the Ching Dynasty which ruled China for about 300 years, the "emperor" declared that he was too busy studying ancient Chinese history to notice the goings on in modern Manchuria.

Pu Yi declared elsewhere that the Japanese had turned Manchuria into a big slave labor camp. Earlier, Pu Yi asserted that the Japanese had poisoned his wife and wanted him to marry a Japanese girl of whom Gen. Yasunao Yoshioka showed him a number of pictures.

Pu Yi asserted that he had no freedom for the last 10 years and was virtually a prisoner of the Japanese. He was permitted only five audiences a year with his ministers, he asserted.

In the first day of his testimony he accused the Allies of inaction in the face of Japanese aggression in Manchuria and thus tried to justify his acceptance of the "throne."

Dardanelles Issue Reaching Climax

Russia's demand, expressed in a note to Turkey for a revision of the 1936 Montreaux Convention, which set a governing regime for the Dardanelles, was supported neither by the United States nor Britain, both of which voiced their opposition to joint Russo-Turkish defense of the straits.

Russian proposals were based on the assumption that only the Black Sea powers were to be allowed participation in the new revised regime, with Turkey and the U.S.S.R., as the two countries most interested in the defense of the straits, taking the major part of the defense.

United States Acting Secretary of State Dean Acheson told the press in Washington that the United States had sent a note to Russia on the revision proposals.

The main differences over the revision appear to center on the question of American and British participation in the revised document—i.e. whether within the old framework or the one proposed by Russia, when only four Black Sea powers would negotiate.

The defense of the Dardanelles by Turkey alone is favored by both the United States and Britain, whereas Russia desires to have a base near the mouth of the straits.

It was reported that the United States note to Russia proposes that should Turkey prove to be in no position to handle the control of the Dardanelles herself this responsibility should be handled by the UN Security Council.

Anglo-Egyptian Talks Seen Deadlocked

Anglo-Egyptian negotiations over the revision of the treaty between Egypt and Great Britain appeared to have arrived at an impasse following the rejection of British proposals by the Egyptian Government. An internal crisis was likewise envisaged due to the rejection.

Egyptian Premier Ismail Sidky Pasha intimated that he would resign if the present negotiations failed, and this in turn would mean a cabinet reshuffle.

The main differences in the current negotiations were the question of the Anglo-Egyptian Sudan, nominally a joint territory, but actually a British possession. Egypt wanted reincorporation of the Sudan with Egypt proper, basing its demands on the fact that the population of the Sudan was of kindred blood and the investment of Egyptian funds in Sudan construction.

Another stumbling block was the time limit of the British withdrawal from Egypt, which the former wanted to extend to five years and then agreed to cut this to three. The Egyptians insisted on the deadline being set for one year.

Indonesia Observes Independence Day

While official and semi-official celebrations to mark the first anniversary of the Indonesian declaration of independence were banned in Batavia, an elaborate program featuring military parades, mass meetings, athletics and a reception by Dr. Achmed Soekarno, head of the Republican Government, was carried out in the Republican capital of Jogjakarata.

Dr. Sutan Sjahrir, former Premier, had not yet formed a new cabinet in place of the one dissolved recently, while reports were circulated that Dr. Soekarno was the victim of an abortive assassination attempt.

The Netherlands East Indies Navy took precautions to curb illegal trade between the islands and Malay and patrol vessels had been ordered to halt all ships for proper identification. Cargoes will be examined and if proved illegal the vessel will be escorted by the Navy to the nearest port, where it will be handed over to the civil authorities.

Decline Of Villages

The number of large landlords is increasing in the interior and the peasants are moving from the villages into the cities, the Ta Kung Pao wrote last week. According to official statistics, between 1911 and 1937 the number of tenant farmers increased from 28 percent to 37 percent, that of semi-tenant farmers increased from 23 to 26 percent, while the number of independent farmers fell from 49 to 37 percent.

In Szechuen alone land owned by the landlords increased to more than 70 percent. In Sikang province 73 percent of the land is owned by large landlords.

The Ta Kung Pao pointed out the general tendency in Chinese rural economy toward large landlord ownership of the land.

ROBERT BRYANT, INP photographer, was beaten by a Chinese policeman who confiscated his camera at the Paramount Ballroom last Tuesday night. Bryant, who had gone to the Paramount to photograph the Miss Shanghai beauty contest, was attempting to photograph the arrest of an alleged bandit by the police when a policeman stepped up behind him, struck him several times and snatched his camera. The camera was later returned. This is the second time Bryant has run afoul of unwilling subjects, having been mobbed some months ago when he attempted to photograph a Shanghai mass demonstration.

WHAT PRICE FAILURE?

What U.S. Papers Say . . .

THE China situation took a major part in American newspaper editorials in the past week, with the India problem coming second and a number of economic questions following.

* * *

CHINA

The *Oakland Tribune*, commenting on the Marshall-Stuart statement regarding the China situation, wrote: "United States interest in China is solely one of promoting peace. We are not desirous of territorial nor economic dominion. We have no ulterior motives in respect to China, But we do recognize China as one of the cornerstones of peace in the Pacific, and now the time has come for Washington to re-appraise our policy with the objective of vigorously prosecuting this end."

"Get out of China?" asked the *Chicago Sun*. And answering its own question, wrote: "Yes, we should get out, in the sense of withdrawing our Marines and our plans for training a Kuomintang army and our lend-lease military equipment, but if we want peace and a strong China to fill the vacuum left by the destruction of Japan, we will stay in Asia —and direct our dollars, our technical aid, our friendly consultation and influence to the building of a peaceful, progressive, united, prosperous nation. The margin of attainability for that aim has grown perilously slim."

Although American sympathies and best interests lie with the "Chiang Kai-shek Nationalists," the *St. Louis Globe-Democrat* wrote, "the truth is that their intransigence has led us into a cul-de-sac from which extrication will be achieved with difficulty."

The *Star-Times*, of the same city, wrote that Marshall and Stuart gave up hope reluctantly. "There is still a chance that the Kuomintang may yield to reason if its leaders are shown that they cannot count on American aid. In a tragedy sable-black as China's, there is only one role for us—that of peacemakers."

The breakdown of the Marshall peace mission would argue for a more active and forthright form of assistance to the National Government, rather than its opposite, the *St. Paul Pioneer-Press* declared. "The weakness and faults of that regime are many. With such aid should go a voice in its reform, but the kind of China needed for a stabilized and peaceful Asia will be built on the National Government or not at all."

The *Washington Daily News*, a Scripps-Howard paper, held a similar view. It suggested stronger support to "Chiang Kai-shek's Government." The *Philadelphia Record* wrote: "We dare not pull out of China now."

Commenting on the V-J Day anniversary statement by the Generalissiomo, the New York *Herald-Tribune* wrote: "If everything said in public by Generalissimo Chiang Kai-shek could be taken literally most Americans would be inclined to give him strong support." The editorial added that "there is too much difference between what the Generalissimo says and what his subordinates do. "It seems, the *Herald-Tribune* wrote, "that when the Generalissimo writes his speeches he takes the advice of the best men in the Kuomintang Party, men who are honest and competent and who love China, but that he takes the advice of the worst elements, men who are corrupt and reactionary, when he tries to put the principles into practice."

The New York *Times* said that the Generalissimo's statement, had served to clarify the situation and to map out a program on which all Chinese of goodwill can agree. In doing so, the *Times* added, "it should also give impetus to the mediation work of General Marshall."

The *Cleveland Plain Dealer* called for complete support for the Nationalists and for the American Government to discontinue trying to "reconcile the irreconcilable."

The *Chicago Tribune* called for the withdrawal of American troops, saying that their presence in China has not been a stabilizing factor.

* * *

INDIA

The *Louisville Courier-Journal*, discussing the latest developments in India, hailed the All-India Congress Party for its acceptance of the British proposal. "For the first time the British have embraced fully in their dealings with the Indians the principle of majority rule. There simultaneous developments are significant. No longer is the Congress, like a stubborn schoolboy, demanding that the British "quit India" before its massive strength be given the task of making such a withdrawal possible. No longer are the British leaders using the fanatical Moslem Party as a minority weapon to frustrate the right of the majority Congress Party to organize an interim government.

* * *

RUBBER

The *Wall Street Journal* writing on the question of a free market for rubber, expressed the hope that the governments concerned would restore such a market by the end of the year. "Only in a free market can the consumer of rubber register his choice between the natural and synthetic product, and only after the consumer's wishes have been determined and met can either the rubber grower or the rubber manufacturer proceed with any clear views of the future." As the cost of producing synthetic rubber is lowered, those who grow rubber are under compulsion to meet the lowered price. If a consumer prefers the natural product, even at a substantially higher price, the synthetic producer will have to improve his product."

U.S. Industrialists Invading Mexico

AMERICAN industrialists setting up enterprises in Mexico are studying the business laws, tax system, labor and customs regulations and the general attitude of the government to foreign business interests.

Questions of whether the American can get fair business treatment from the Mexican authorities have been studied in that part of the Western Hemisphere, much the same as here in China.

In those fields of industry considered either basic or important to the welfare of the country, the Mexican government not only allows, but encourages foreign investments. Where and when Mexican interests are unable to institute services or enterprises vital to the country, the government favors foreign concerns, preferably in partnership with Mexican capital.

The essential trend in policy is that Mexico must be industrialized at all costs—with Mexican capital, if possible—but if necessary, foreign capital should be called in on terms sufficiently attractive to make it worth the foreigners' while. Although some U.S. industrial and financial circles are not too pleased with Mexican regulations, lack of a better market abroad is causing Mexico to become one of the most concentrated centers of U.S. foreign investment.

Financial Assistance

Through a kind of "Reconstruction Finance Corporation," the Nacional Financiera, foreign interests, predominantly American, have been encouraged to open factories to suit the program of national development. This has included financial assistance, both equity capital and loans, exemption from certain taxes and customs duties, and the waiver of the stipulation that 51 percent or better be held by Mexican interests in joint companies.

During the war, contrary to the pre-war policy, control over some corporations and industrial companies passed into the hands of foreigners and was approved by the Mexican government.

Incomes below US$400 are exempted from income tax, with the levy of three and eight-tenths percent for the lowest income bracket and up to 30 percent on incomes in excess of US$100,000. An eight percent dividend tax is imposed, irrespective of whether annual profits are paid out to stockholders or not. This brings the rate on incomes over US$100,000 to 38 percent—a rate applicable to a majority of corporations in America.

Mexican corporation bonds and other indebtedness papers are usually subject to a 10 percent tax on interest paid.

Federal Union

The partially self-governing states of which the country of Mexico is composed, offer different tax advantages to business enterprises. The state of Mexico has at times granted tax exemption for as long as 20 years to industries on its territory. For this reason much of the

recent industrial development is located in the state of Mexico, just outside the Federal District which corresponds to America's District of Columbia.

Highly desirable industries occupy the most enviable tax positions. Parallel tax exemptions have been extended in an entire field where a recent establishment was granted that privilege.

Labor Laws Favor Worker

Mexican labor laws are considered more favorable to the worker than American laws. Once hired on a permanent basis, the employee in Mexico holds vested rights in his job. If dismissed without proper justification he can claim three months pay plus 20 days' additional pay for each year of service. Special labor courts handle disputes.

Most industries are well unionized with labor contracts governing detailed relations between labor and management.

A Mexican company charter, registered with the government, must state explicitly whether foreigners may or may not become shareholders. If such are permitted, the approval of the Foreign Relations Ministry is required. The extent of foreign participation must be stated.

The prime object of American participation, however, is not capital, but the importation of know-how. Mexico has considerable capital of her own, obtained largely through favorable trade balances.

War-Inspired Boom In U.S. South Continues

INDUSTRIAL growth in the South of the United States shows no sign of losing its wartime virility and has taken firm roots in territory virgin to industry in former years. The main causes for this victory for industry is seen in climate inducements, lower wages, abundant power and labor supply.

New industrial plants are springing up in small towns in the states of North and South Carolina, Georgia, Alabama and Tennessee. Thousands of factories have been built in these areas either during the war or since the war ended. Branch plants spring up by the hundreds on account of the presence in the South of factory-trained labor, willing to work for lower wages, and weak labor unions. Climate is said to contribute to the lower living cost of workers and greatly diminishes overhead expenses for plants.

The industrial pattern of the South emerges along the following lines: textile mills are passing into the hands of northern industrialists, with prices ranging as high as three times the capitalized value, clothing plants, timber firms, pulp and paper plants, prefabricated housing, furniture factories and a number of other industries have sprung up.

More than 2,000,000 persons left Southern farms for war jobs and about 1,250,000 moved to Southern cities and towns. Most of these workers are refusing to return to the farms that offer only a subsistence living. This population-shift provides a large reserve labor army.

What Chinese Papers Say . . .

THE Lushan Conference was the outstanding topic of discussion in editorials in the Chinese press last week. Other subjects discussed were the possibility of foreign intervention and the possibility of Japan again constituting a menace to China.

* * *

LUSHAN CONFERENCE

If the Lushan Conference is designed to gather together a group of civic leaders and to have them supply information regarding the sufferings of the people for the personal reference of the supreme leaders, it will be a very good thing, declared the *Sin Min Wan Pao* in an editorial. If, however, as the Young China Party has proposed, the conference is designed to settle the political dispute, then the matter is worthy of very careful consideration. The first problem we should consider is, why should the Political Consultative Council, which is already in existence, be abandoned and another conference held? Participated in by the different political parties and groups, the PCC is at least representative of those parties and groups. Could the proposed Lushan Conference be more representative than the PCC?

The second problem is "What result could the proposed conference achieve," the paper asked. It advocated that the spirit of the PCC should be revived, the principles of the PCC observed, and the unfinished task of the last session of the PCC be completed by means of political consultations.

The *Sin Wan Pao* believed that the proposed Lushan Conference "is certainly one way of finding out the common wishes of the people. Gatherings of this kind can never be too many, and those invited to participate should be representative of as many shades of opinion as possible."

The *Lien Ho Jih Pao* expressed the opinion that "first, the proposed conference can only bring about results if the civil war is stopped; secondly, General Marshall and Ambassador Stuart should continue to mediate for peace; thirdly, if any conference is going to be held to solve the political problems it is the Political Consultative Council. The PCC decisions were reached jointly by the representatives of the Kuomintang, the Communist Party, the Democratic League, and the Young China Party as well as non-partisan leaders. They are the common property of the Chinese people. We are in favor of settlement of the dispute, but even more are we in favor of the reopening of the political consultations. There should first be cessation of hostilities and then consultation."

* * *

INTERVENTION

With the dispute between the government and the Communists remaining unsettled, two opposing viewpoints have recently been expressed, declared the *Ta Kung Pao*.

"While the Communists have been talking aloud about international intervention, the *Chung Hwa Shih Pao* has expressed the view that the Kuomintang and the Communists should now listen to the opinion of the people. This is abitration of the highest order. Naturally, this journal is in favor of arbitration by the people. Today, we wish to explain why we oppose international intervention.

"If we observe the proposal of the Communists from the standpoint of international law, we will find that this proposal is so puerile as to be ridiculous. First, the United Nations organization is an international organization, and the purpose of its Security Council is to promote the building and maintenance of international peace and security. UNO certainly has no power to deal with the internal disputes of any nation. Secondly, due to the fact that all the nations which are permanent members of the Security Council have the veto power, it is highly questionable whether the Council will be an effective instrument for settling international disputes. Third, China is one of the five permanent members of the Security Council, so if she brought up her own internal dispute for discussion by the Council, her position among the nations would be seriously affected.

"If the Communists still have any national consciousness, we feel that they should immediately carry out the agreements regarding the integration of their armies into the National Army and restoration of communications. If they cannot do this, they should certainly attend the proposed informal conferences at Kuling, where they can listen to the people's arbitration. This is the right course for them to take.

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CHINA AND JAPAN

"The great capitalists and great landlords of Japan are still in control of the Japanese Government, and Japan's economic system which is based upon militarism is still intact," wrote the *Wen Hui Pao* in a lengthly article. "Moreover, the different departments of her national economy are much sounder than those of China's national economy. It is quite evident that Japan is still a serious menace to China. Because she wants Japan to act as her anti-Soviet vanguard in the Far East, the United States has not hesitated to help the reactionary forces in Japan, to prevent the democratic forces in Japan from gaining in influence, and to employ various methods to help Japan achieve economic regeneration. Who can guarantee that once the international situation changes, Japan will not again invade China? In the interests of China, we Chinese should make proposals on our own initiative regarding the control of Japan, and not merely act as other people's appendage, thereby causing our country and our people a great hidden disaster."

EVENTS IN BRIEF

Eight British soldiers have not been heard of since they left with seven German prisoners of war in three trucks from Trieste to Lazzaretto, a village near the port. They are believed to have strayed into Yugoslav territory.

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Closer ties with Russia were advocated in a lecture last week by Pandit Nehru, President of the All-India Congress Party. He said he hoped that the Russians would participate in an inter-Asian relations conference he is promoting, which when organized should unite the East culturally and politically into a powerful block.

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Thirty-six New York professors, belonging to the universities of New York, Columbia and Queen's College, sent a joint cable to President Truman urging the withdrawal of United States troops from China. They also expressed "severe shock" over the recent assassinations of Professors Li Kung-pu and Wen I-to.

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An official Navy release disclosed that Lt. (j.g.) Robert M. Warner, USNR, and employee in the UNRRA Supply Section was arrested last week on charges of implication in the international smuggling and black market ring, recently uncovered.

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The resolution to extend the shipping deadline to China to June 30, 1947, was adopted at the plenary session of the UNRRA Fifth Council in Geneva last week. UNRRA will negotiate the maintenance of its China Office with the Chinese Government.

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The United States extended recognition to the newly formed Bolivian Government, under the Presidency of Dr. Nestor Guillen. Other Latin American countries to recognize the new Bolivian Government included Venezuela, Cuba, Uruguay, Chile, Peru and Paraguay.

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The Russians have found a new and powerful rocket weapon, the "V—4," a jetpropelled plane model, and other "secret weapons" in an underground workshop at the bombed Heinkel factory outside the town of Rostock, Reuter's reported from Berlin.

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One hundred nurses from China, Italy, Czechoslovakia, Poland and Yugoslavia will soon arrive in New York to study new methods of treating contagious diseases in New York hospitals, UNRRA announced in Washington. These nurses will become instructors in countries where the danger of severe epidemics lurks.

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The All-Union Research Institute of Agricultural Microbiology of the U.S.S.R. has developed a new bacterial fertilizer, called phosphorobacterin, which intensifies biochemical processes in the soil and raises the harvest of crops. The seed is soaked in a solution of this powder before sowing.

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The arrest of staff members of the Chinese Association of Labor and the seizure of a hospital and two welfare centers in Chungking was protested by CIO President Philip Murray in a message to Gen. Chiang Kai-shek. "Their seizure violates U.S. interests and would discourage further donations and alienate the opinion of the American public at large," Murray declared.

A probable cure for leprosy was discovered by Professor Filatov of the Ukrainian Academy of Sciences, when by grafting new tissue and injecting of "bio-stimulators" definite improvement was observed in early cases. Professor Filatov a few years ago transplanted a cornea taken from a corpse to the eye of a patient and effected a cure.

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The University of California will have the largest university-owned, high-altitude laboratory in the country. Equipment has been acquired from the War Assets Administration. This equipment can simulate altitudes of 60,000 feet and temperatures as low as 100 degrees below zero.

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The recent Shanghai ban on the South China soccer team led by Lee Wai-tong means a loss of no less than CNC$500,000,000 to Madame Sun Yat-sen's China Welfare Fund, Reuter reported. In addition the Fund had to defray the cost of 15 players' passage from Hongkong and their hotel bills in Shanghai.

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The membership committee of the UN Security Council decided to enlist the aid of the Soviet Government in obtaining the necessary information from the Mongolian People's Republic regarding her application for UN membership. The only nation having diplomatic relations with the Mongolian Republic is the U.S.S.R.

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The local authorities have tightened their garrison and policing control in the suburbs of the city, it was reported. Additional patrol parties have been detailed at important thoroughfares and searches will be made of suspicious looking characters. All land and water communication lines leading to and from Shanghai are also garrisoned.

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The Communists announced the establishment in Harbin of a "Provisional Supreme Administration for Democratic Manchuria" to "build a new peaceful and prosperous Manchuria by uniting all strata and support Political Consultative Conference decisions....support the Potsdam declaration and the Sino-Soviet Treaty."

* * *

Curfew was imposed in Soochow, about 55 miles from Nanking on the Shanghai-Nanking Railway, as the result of Communist infiltration along the line, the Ta Kang Pao reported from that city. The paper declared that Communist troops disguised as monks and small merchants were discovered. A body of New Fourth Army troops had allegedly crossed the Yangtze at Wusih.

Educators Hope To Eradicate Bias

Educators from 30 countries, attending a two week's world conference of the teaching profession in the United States, are discussing the means of eliminating nationalistic prejudices in textbooks and other ways of contributing to permanent world peace.

The conference, sponsored by the National Education Association, (non-governmental), received a message from President Truman which termed the meeting a "hopeful sign for the peace of the world."

The conference agreed on the establishment of a commission to create international history and geography textbooks which might be used in every school system of the world.

The teachers were urged to constitute themselves as "screening boards" to see that undue bias does not enter the classroom, by Dr. Ralph Morley, British Parliament member and president of the British National Union of Teachers. He suggested that an effective way of getting rid of bias is to teach history as a whole and not merely as the story of one nation.

An international code of professional ethics for teachers was proposed by Dr. Tao Chih-chang of the National Central University at Nanking.

Pacific Trade Grows

A spokesman of the Los Angeles Chamber of Commerce recently told a correspondent of the *China Weekly Review*, that despite difficulties on both sides of the Pacific, trade between West Coast ports and China and the Philippines is increasing substantially.

Although reports are constantly received of complicated taxes and unloading difficulties in such ports as Shanghai and Canton, the spokesman said, no protests or official reports have been made to the Chamber of Commerce in Los Angeles. He said there appeared to be a growing confidence among exporters that trade with China will increase.

Similar optimism is reported from American shipping circles, although West Coast labor conditions are making the loading and discharge of vessels in such harbors as Los Angeles, Long Beach and Portland well-nigh intolerable.

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10.30 a.m.
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Who's Who in China

GENERAL YU HSUEH-CHUNG, deputy councillor of Military Advisory Council; born at Penglai, Shantung, October 8, 1889; graduated from Military School attached to the left Wu Wei Chun

General Yu Hsuch-chung

（于學忠字孝侯）

Imperial Army at Tungchow, Chihli, 1911; aide-de-camp of the Office of Defense Commissioner of Lin Hsi District, 1914; Commander of an artillery battalion of the 18th Mixed Brigade, 1918; commander of the 2nd regiment of the same brigade, 1920; commander of the same brigade, 1923; commander of the 26th Division, 1926; later vice-commander of the Upper Yangtze Force and Commander-in-Chief of the 9th Army of the Allied Forces, 1926; Defense Commissioner of Kinchow and Hsiangyang, Hupeh, 1928; Commander of the 20th Army with the rank of Lt.-General, 1928; counsellor of the Headquarters of Commander-in-Chief of the Northeastern Frontier Defense Forces and commander of the troops stationed in Ninghsia and Suiyuan, 1929; commander of the 1st Army of the Northwestern Frontier Defense Forces, 1929-30 and concurrently garrison commander of Peiping-Tientsin Area, 1930; Chairman of the Hopei Provincial Government, 1932-35 and concurrently commander of the 51st Army; he was forced to resign his chairmanship of Hopei by the Japanese, summer of 1935 and was transferred to Shensi as commander-in-chief of the Communist-suppression Forces for the Szechuan-Shensi-Kansu boarder, retaining his command of the 51st Army; appointed concurrently chairman of Kansu, 1935; commander-in-chief of Shantung-Kiangsu War Zone; pacification commander of Kiangsu Province; deputy councillor of the Military Advisory Council of the National Military Council; member of the Central Executive Committee of the Kuomintang; address: Military Advisory Council, National Military Council, Nanking.

In view of heavy deficits suffered by the Ministry of Communications a number of staff members of the telegraph offices will be discharged, the Wen Hui Pao reported. The Government is now paying subsidies to the telegraph and post offices to the extent of CNC$15,000,000,000 monthly.

PEOPLE IN THE NEWS

ELLY WIDLER, unrecognized Swiss national, will be charged with theft and collaborationist activities, which according to Chinese law come under the espionage bracket, a spokesman of the Woosung-Shanghai Garrison Headquarters, declared last week. "We Chinese don't want any part of such undesirable foreigners, he added.

• • •

PROFESSOR HAROLD J. LASKI, former Chairman of the British Labor Party, sent a congratulatory message to the Indonesian Republican Government on the occasion of its first anniversary. "I hope with all my heart that you will be able to arrive at an agreement with the Dutch which fully safeguards your right to self-government," he cabled.

• • •

MAJOR GENERAL AUNG EAN, President of the Burma Anti--Fascist League, sent a message to Dr. I. R. Soekarno, Indonesian President, expressing Burma's good wishes to the people, "still struggling to consolidate their independence."

• • •

AMBASSADOR J. LEIGHTON STUART, declared in Peiping that American policy in China will likely be changed if the country's internal conflict is not settled. He expressed the hope that the situation will be solved before American policy is changed.

• • •

SEMYION ALEXANDROV, the Soviet observer at the Bikini atom bomb tests, told newspapermen in San Francisco that "Russia expects to have atom bomb tests in the measurable future." He said that he was out of touch with developments at home but added that "we are much closer to the end of this project than many people think."

• • •

H. G. WELLS, the famed British author and political writer, died in London on August 13, at the age of 79. He had been in failing health for a considerable time, suffering from diabetes.

• • •

WILLIAM O'DWYER, Mayor of New York City, declared recently that "to preserve our democracy, we have to preserve our profit system."

• • •

PENG HSUEH-PEI, Minister of Information, declared that the report that the basis of the National Government will be broadened by the taking in of non-Kuomintang members, was only a "news report."

• • •

DR. H. H. KUNG, former President of the Executive Yuan, at a meeting of Honan residents, said: "We shall not only relieve the hunger stricken people in Honan, but will also improve their livelihood." He said that the famine in that province was more severe than elsewhere.

• • •

MISS LIANG SO-KUAN, Chinese representative at the Paris International Women's Democracy Conference, said that French women resembled Chinese women in voicing sound and long-winded arguments, but many of their practical matters were not realized.

• • •

KING PHUMIPHON ADULET of Siam, accompanied by his mother Princess Sangwan Chruramol, will visit Colombo on his way to Switzerland. He will be guest of Sir John Howard, Officer Administering the Government.

• • •

COLONEL IVAN D. YEATON, former Chief G-2, China Theater, and Director of Intelligence, China Service Command, was appointed to the Office of Military Attache in Nanking as Assistant Military Attache on duty in Shanghai. He previously served as commanding officer of the Yenan Observer Group in Shensi.

• • •

HENRY A. WALLACE, Secretary of Commerce, supported a recommendation by the International Chamber of Commerce that the UN Economic and Social Council call a conference to simplify passport and visa formalities, customs inspection of luggage, operation of currency controls and consular regulations relating to shipment of goods.

• • •

NORRIS E. DODD, Under-Secretary of Agriculture, is to head the U.S. delegation to the UN Food and Agriculture Organization conference opening on September 2 in Copenhagen, the State Department announced.

• • •

SENATOR LAFOLLETTE'S defeat in the Republican primary in Wisconsin after 21 years in the Senate, was commented upon by the New York Times, which wrote: "The chief element of his defeat was undoubtedly his isolationist record on which he chose to stand...."

• • •

DR. H. C. CHANG, distinguished Chinese medical expert, visiting the United States, has left Washington for Yale University at New Haven, Connecticut, where he will study advanced methods of medical administration for the next six months.

• • •

BRIG. GEN. WILLIAM A. WORTON, assistant division commander of the Ist Marine Division (reinforced) and chief of staff, Marine Forces, China, has reportedly been assigned to duty as commanding general of the Marine Garrison Forces, Hawaiian area. General Worton arrived in Tientsin in September 1945 to arrange for the arrival of Marines in North China.

• • •

WILLIAM L. CLAYTON, Assistant Secretary of State for Economic Affairs, was sworn in as Under-Secretary of State for Economic Affairs by Chief Justice Fred. M. Vinson in the presence of Acting Secretary of State Dean Acheson.

• • •

WANG YUN-WU, Minister of Economics, was quoted by Central Daily News as having declared in Kuling that the Government has completed a comprehensive plan to help private industries and enterprises.

• • •

DR. HAROLD UREY, one of America's leading atom scientists, declared last week that the United States may have to launch an atomic war to rule the world unless some form of international control is perfected in the near future, United Press reported from Washington.

• • •

MAJ. GEN. PATRICK J. HURLEY, former Ambassador to China, was nominated to run for Republican Senator from the state of New Mexico. Republican National Chairman Carroll Reece said of Hurley: "....he would be a tremendous asset to the Senate. He is one of the most able and colorful men in public life."

Dollars Held To New Official Rate As Gold Sales Drain Market

THE decision of the authorities to revise the foreign exchange rate from $2020 to $3350 for one US dollar was undoubtedly the most important development in China during the past week. As announced by Dr. T. V. Soong, this revision was made to encourage China's export trade, check the unlimited import trade and to facilitate overseas remittances to China. Together with the revision of the foreign exchange rate, it must be noted the authorities also decided to exempt all exports from export duty.

The immediate reaction to this revision on August 19 was a general increase of quotations and prices as the American dollar increased by 65 percent in value. American bank note quotations went as high as $4000 while gold bars rose to $2,850,000 per 10-ounce bar. Quotations for stocks and shares increased also by 25 to 40 percent. As to commodities, prices of all kinds of goods appreciated. It was reported that the price of rice, which had nothing to do with foreign exchange as the majority was supplied by the interior parts of China, rose to $85,000 per picul. Cotton yarn of 20 counts appreciated to $1,800,000 per bale.

Gold Sales Drain Cash

However, the government measures to check the increase of commodity prices proved effective. As announced by Mr. Pei Tsuyee, Governor of the Central Bank of China, the government was determined to stabilize commodity prices, especially that of gold bars. "Those merchants who try to push up the quotations of gold may sustain heavy losses," he warned. True to his words, the Central Bank sold during the first two days of this week, immediately following the revision of foreign exchange, as many as 9000 gold bars, calling in a total of $22,000,000,000 in notes.

This immediately caused a tight money situation and forced down gold quotations from the maximum of $2,850,000 to the minimum of $2,150,000 on the morning of August 21 (Wednesday). The black market greenback quotation, which rose to $4000 came down also and stood around $3350—the official price—on August 21, when foreign banks sold large sums.

Mayor Warns Merchants

Dr. K. C. Wu, Mayor of Shanghai, was equally firm toward the problem of commodity prices. In a meeting with leading businessmen on August 19, the Mayor told them in no uncertain terms that commodity prices should not be increased and asked for their cooperation to stabilize the market. As a result, the Shanghai Chamber of Commerce through the different trade associations have instructed individual firms and shops not to increase the commodity prices, especially of those products produced locally.

Meanwhile, the China Vegetable Oil Company is selling oil at the same old rate, the China Textile Development Company and other cotton mills are selling cotton yarn and cotton cloth at the same prices as last Saturday (August 17), the Taiwan Sugar Company is selling sugar at its old price, and above all the Bureau of Social Affairs of the City Government on August 19 and 20 supplied local rice shops as much as 40,000 bags of rice for sale to the public at the official price, which has been unchanged for many weeks.

Imported Goods Jump

All these efforts have proved successful and helped to some extent to stabilize the prices of some essential commodities. However, visits to shops revealed that many commodities, especially imported goods, have increased in price by around 30 percent (the exchange rate increase was 65 percent). This should not worry the authorities nor the general public, although the cost of living will be slightly increased, as it was the original intention of the authorities to increase the prices of imported products by a higher foreign exchange rate so that foreign goods would not be dumped in the local market and so threaten native industry, as everyone has realized during the past five and a half months.

Whether the revision of the exchange rate will achieve the three aims outlined is still doubtful. It is certain that overseas remittances will be increased as a result of this revision, but it is doubtful whether this will make it possible to export more native products to foreign markets. For instance, well-informed circles believe that under the new exchange rate it will become possible to export wood oil and some other products, but for many native products it is still difficult as commodity prices in China have increased by 5000 times while the new exchange rate represents an increase of only 1000 times the pre-war rate. The decision to exempt all exports from duty and to give subsidies for the export of raw silk (for tea, casings and bristles later on) will help the export trade a little more.

As to imports, it is but natural that with the new exchange rate, imported goods will become more expensive and that the inflow will be reduced. However, in the long run, the importers will be benefited as no country can last long under as unfavorable a balance of trade as China experienced during recent months. The new exchange rate and other measures to encourage exports may help to balance China's foreign trade and eventually increase the purchasing power of the Chinese people. The decision of the authorities to eliminate all the street stalls selling smuggled goods as from September 1 and the decision to organize a Harbor Administration to improve harbor conditions certainly will benefit traders.

During the week ended August 17 Shanghai markets were quiet with slight increase of quotations on Saturday when well-informed circles anticipated some kind of revision of the foreign exchange rate. Last week the Central Bank sold 607 gold bars, calling in $1,200,000,000 at the following rates:

August 12	115	at	$1,980,000
13	 90	at	$1,985,000
14	47	at	$1,970,000
15	67	at	$1,940,000
16	120	at	$1,947,500
17	168	at	$1,990,000

The following table gives the quotations of some of the leading commodities during the week ended August 17:

	August 10	August 17
Gold bars	$1,925,000	$2,035,000
US Dollar notes	2,525	2,730
Bond C	670	1,250
Wing On Textile	695	615
Ewo Cotton	8,100	9,700
Rice	58,000	58,000
Wheat flour	11,500	12,650
Peanut Oil	83,000	77,000
20's Yarn	1,350,000	1,410,000
Raw Silk	2,500,000	2,650,000
Artificial silk	1,630,000	1,650,000
Ruby Queen cigarettes	12,500	12,550
Koo Ban soap	44,500	44,000
My Dear matches	710,000	680,000

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StormSignalsGiven

The Shanghai Semaphore on the Bund will hoist the following signals and warnings of approaching storms and typhoons:

1 — Violent thunderstorm over the locality.

2 — Cyclonic gale with squalls and showers from the N. E. backing to the N.W.: typhoon center passing to E. of the locality.

3 — Cyclonic gale with squalls and showers from S. E. veering to the S.W.: typhoon center passing to the W. of the locality.

4 — A depression or typhoon exists which may possibly affect the locality.

5 — Hurricane signal. Typhoon center crossing the locality.

6 — N. Westerly gale. International signal.

7 — S. Westerly gale. International signal.

8 — Typhoon dangerous, but danger to locality not imminent.

9 — Center of extra-tropical cyclone or depression will cross the locality.

10 — Gale expected to increase.

11 — N. Easterly gale. International signal.

12 — S. Easterly gale. International signal.

13 — Bad weather expected over the locality. International signal.

The above typhoon and local weather code has been accepted by Hongkong, Manila and Indo-China observatories, with only slight modifications at Hongkong.

Mariners and pilots can call up the semaphore station (tel. 80431) for further weather details.

Sino-American Mission Studies Agriculture

The Sino-American agriculture mission has visited a number of areas in the vicinity of Peiping, Tientsin, Shihchiachuang, and Changli in North China and in the Northeast, making a careful study of plant breeding, and soil and fertilizer conditions, insect pests, plant diseases and other agricultural problems.

The mission is headed by C. D. Hutchinson and P. W. Tsou, heads of the American and Chinese sections respectively. The mission inspected a reclamation farm near Tientsin, where a large acreage of low-lying swamp and alkali land has been reclaimed especially for the production of rice.

Conferences were held with bankers, merchants and exporters in Tientsin for the speedy revival of North China's export trade in carpet wool, tung oil and other products.

The best harvest in more than 10 years is predicted in the Shansi-Hopei-Shantung-Honan Border Region, with autumn crops ripening well, with exception of South Hopei, where rainfall and flooding of lowlands caused damage to crops, the New China News Agency reported.

BUSINESS FOOT-NOTES

The US$500,000,000 loan to France has already been approved in principle by the technical services of the International Bank of Relief and Rehabilitation, reports from Washington declared. France can receive the first portion of the loan by November.

* * *

A new Sino-Japanese trade combine with a capital of Yen 100,000,000 will soon be set up, the Agence France-Presse, reported from Tokyo. The new organization is to be known under the name of "Purchasing Company for Export Goods" and its president is likely to be Masaki Hibinos, well-known Japanese businessman.

* * *

Commodity tax for imported cigarettes will not be collected by the Customs, but will be levied by the Bureau of Commodity Taxes, beginning next month, the Sin Wan Pao reported. The rate reportedly will be 100 per cent on the market price of the imported cigarettes.

* * *

The request of the China Textile Development Company to export yarn and cotton piece goods to the South Sea islands was turned down by T. V. Soong, the Ta Kung Pao reported. Dr. Soong is reported to have declared that if the export ban on textiles is lifted, commodity prices will rise.

* * *

Japan is expected to balance her imports and exports in two years time, officials declared in Washington. At present, Japan's imports of food exceed her exports of silk and this is expected to continue for some time.

* * *

United States production of goods for civilian consumption increased by more than US$30,000,000,000 in the last year, according to the United States Director of Reconversion.

* * *

The Shanghai Chamber of Commerce has petitioned the Government for permission to export wheat flour, of which Shanghai produces a daily surplus of 100,000 bags. If this export ban is not lifted, the Shun Pao declared, the local mills will be forced to close down.

* * *

A serious financial crisis in Chengtu, Szechuen, has forced the Ho Fung Native Bank to close down with a loss of CNC$300,000,000. Another bank and silver store went bankrupt a few days ago with a deficit of CNC$100,000,000. The black market interest rate is 21.6 percent.

Shanghai's foreign trade for the first six months of 1946 showed an unfavorable balance of CNC$312,465,604,000 excluding UNRRA imports valued at CNC$-106,685,537,000. Import of raw cotton led the list of imports, with foreign drugs and chemicals second. Bristles led the exports, followed by native medicine and raw silk.

* * *

Taxes levied on feasts in Shanghai amounted to CNC$1,500,000,000 out of the total of CNC$4,000,000,000 of the City Government's revenue for the month of July. Calculated on the basis of the tax figure, Shanghai people spent CNC$-7,500,000,000 on feasting.

* * *

A Shang Pao report to the effect that the Ming Sung Industrial Company was planning to take part in a joint Sino-American shipping company was last week denied by a spokesman of the firm. The Ming Sung Industrial Company's New York Office has not planned to form the so-called China-American Shipping Company.

* * *

The American Petroleum Institute reported last week that the consumption of gasoline in the United States is running at record peacetime levels. Refiners produced 14,837,000 barrels of gasoline in the week ending August 3, but this was insufficient for the consumption demand.

* * *

An additional credit of US$5,000,000 has been granted to the Hungarian Government for the purchase of American surplus property overseas, the Office of the Foreign Liquidation Commissioner announced. This brings the total of credits granted to Hungary to US$-15,000,000. The credit provides for an interest rate of two and three-eighths percent annually and the principal is repayable in 30 annual installments.

* * *

Austria has been removed from the list of Group E (enemy and unfriendly) countries for which special restrictive export licensing regulations are in effect, the Commerce Department announced. The action paves the way for the resumption of normal trade relations with Austria.

* * *

The United States has signed a copra agreement with the Netherlands Indies, under which the latter government has agreed to sell the exportable surplus of copra from the chief producing areas of the islands to the United States for one year, beginning September 1, the Agriculture Department announced.

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NEW BOOKS OF INTEREST

Unsung Heroes

CHUNGKING LISTENING POST *by Mark Tennien. Published by the Creative Age Press, Inc., New York,* 1945. 201 *pp.,* US$2.50. *Reviewed by J. R. Kaim.*

WHEN I was asked to review the book of Mark Tennien, American missionary in China, a Maryknoll man and, therefore, arch-Catholic, I was not eager to do the job. And when I read the book page by page, I was waiting for the trap: for there must come that pathetic, touching story of his or her rescue from danger and death because of his or her unshakeable adherence to the Catholic creed; there must come that glorifying story of the soul-saving Church; there must come something really holy.

It didn't. When I was through with Father Tennien's 200-page book and looked at the cover again, I found a note by General Joseph W. Stilwell and I do believe that Stilwell, who was so right in many things, was right also in what he said about this book: "If you like people who have courage and live only for unselfish service to others, you will enjoy Father Tennien's book."

That's it; I have enjoyed this epic of heroes without guns, of priests and missionaries, both Chinese and foreign, who during all those years of fighting and struggle went on and on. I have found that Maryknoll Father a splendid writer and I wish that with this statement I could close the short review of his book.

But there are two chapters which unfortunately must be mentioned especially. The first tells the story of a Protestant missionary in the North, George Hunter by name, born in Scotland in 1862 and working in China since 1888. The second is the diary of Father Philip Moritz, a German priest. Both those men, different in creed, age and temperament, tell their experiences in the Communist, Russian supervised northern areas. Both have learned that by no means were the Nazis the only ones who had mastered the various arts of torturing, the non-sleep torture included. I wonder if all of Father Tennien's readers will accept the accounts of those two men without raising objections as to their truthfulness and reliability. But, to understand that indeed they are truthful and reliable one probably, must read Tennien's book.

Pacific Battle

A RIBBON AND A STAR *by John Monks Jr. Drawings by John Falter. Published by Henry Holt and Company, New York.* 237 *pp.* US$2.75. *Reviewed by R. C. Phillips.*

THIS story by Johnny Monks, who was there, of the bitter, bloody battle for Bougainville in November 1943 might very well apply as a model of straight reporting of any of the amphibious operations throughout the Pacific campaign. Written with unusual restraint in dry, factual style, the reader will find here an answer to many hitherto disputed questions about the United States Marines...what makes a Marine a better soldier? how is that famous 'esprit de corp' achieved? just how does a unit go about killing more of the enemy than any other like-equipped and trained unit?

Johnny Monks' story won't sell, we predict, many copies to the casual civilian reader, because it was so obviously written for the "guys who were there," or for the guys who might find themselves "there" in some other god-forsaken island infested with Japs. Here, then, is the story of the teamwork in training between staff, leadership and the man in the mud, and how its all made to pay off when the fight is on.

The sour note is struck on the final page. Two Marines are discussing post-war jobs.

"They gotta make jobs," says one, "there's a lot of guys fighting this war."

"So what? As long as the guys back there are making money do you think they're goin' to worry about the guys who did the fightin'?"

"This time I think so," said another Marine. "This time they're going to get hurt."

"Who?"

"Everybody. Everybody's got a brother or a kid or a fella in the war. This time I think they're goin' to appreciate what the fighting man's been through."

"Are you kiddin'?" asked the realist. "The other day I got a letter from my sister. There's a guy next door with two kids in the Army in Africa. Gas is short back in the States, but *he* can always get gas. Do you know where he gets it?"

"Where?"

"He knows the right people. From a bootlegger....black market."

"Tell me something, will ya? Why do people do that?"

"Semper Fidelis, Mac....Semper Fidelis."

"Yeah....*Semper Fidelis.*"

To a Marine, that simply means "I got mine Mac, how did you make out." You take it from there. That's only the end of the book.

Transformation

MIDWEST AT NOON *by Graham Hutton. Published by The University of Chicago Press, Chicago,* 1946. 351 *pp.,* US$3.50. *Reviewed by Alfred Lee.*

ACCLAIMED by reviewers in the United States as the best book written on that region of America, Midwest At Noon, astounding as it may seem, is the work of an Englishman, an official of the British Information Service who spent five years in the great agricultural and industrial empire which he so thoroughly and ably covers in his book. He gives the essence of its past and present, and a forecast of its future.

The whole Midwest— the eight states of Ohio, Michigan, Indiana, Illinois, Wisconsin, Minnesota, Iowa and Missouri— is in Hutton's book, along with all its extremes, paradoxes, tensions and relentless growth. With a rapidity without precedent in history, in less than five generations, the Midwest has been transformed from a wilderness into a bustling modern civilization.

Hutton does a thorough job, one he obviously enjoyed doing, incidentally, for there is often to be found the fond defensiveness of the native. He covers an amazing range of subjects and in minute detail. The Midwest's social structure, schools, agriculture, growing urbanism, newspapers, business men, young people, religions, merging nationality groups, even its weather—a climate only central Russia can match—all come under his appraising eye.

He tells of the first settlers, violent, quarrelsome, individualistic, who came to the Midwest to hack out a vital agricultural and industrial empire which today boasts the highest average standard of living in the world; of the shrewd, hard business men, the real revolutionaries of the Midwest, who made it into perhaps the most important single region of the New World; of the farmers, rich in love and tradition; and of a tolerance and hospitality which have become proverbial.

As amazing to some Americans as to readers in China will be the population statistics and comparisons the author presents. The eight Midwestern states have almost the same population as the 11 Eastern states from Maine to the District of Columbia. Of 14 cities in the United States of more than 500,000 population, seven are in the East and five in the Midwest. In the number of cities with more than 250,000 population, the Midwest actually outranks the East, popular misconception to the contrary notwithstanding.

Midwest At Noon is an acute and sympathetic analysis which the reader of good, solid fare will find both interesting and informative.

New Magazine

NEW TAIWAN MONTHLY. *Publisher & Editor, Stanway Cheng. Price* CNC$-700. *Reviewed by Darwin Fenn.*

On the first anniversary of Japan's unconditional surrender, a new magazine in the English language, known as The New Taiwan Monthly, made its first appearance in Shanghai. From now on, we are told, the magazine will be published on the fifteenth of each month by the New Taiwan Publishing Co., Ltd. at Taipei, Taiwan.

The first issue of the magazine contains a letter of congratulation from Mr. Ralph J. Blake, American Consul at Taipei. It also contained a foreword by the editor himself, who tells us that his magazine "will be an independent and objective publication presenting only facts and pertinent information about Taiwan." This the editor certainly should be able to do because, as Chief Secretary to Governor General Chen Yi, Mr. Cheng arrived in Taiwan shortly after the end of the war and has had an unsurpassed chance to become acquainted with the island and its problems.

Besides the many historically important pictures concerning the retrocession of Taiwan to China, the articles in the first issue chiefly give us a general background information about the island, such as history, geography, resources, aborigines, administrative system and the Christian church. More recent developments in the conditions there, the editor tells us, will be discussed in the later issues.

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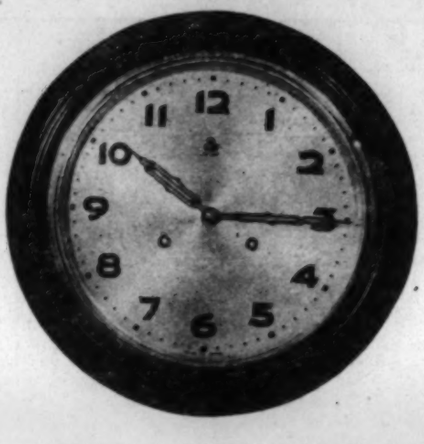

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TIME TABLE

54	52	2	4	6	58	8	10	車次 TRAIN NO.	53	51	3	5	1	57	7	9
4th Class	3rd Class	Tri. Exp.	1,2,3 Exp.	1,2 Exp.	4th Mixed	1,2,3 Night Exp.	1,2 Night Exp.	站名 STATIONS	4th Class	3rd Class	1,2,3 Exp.	1,2 Exp.	1,2 Tri. Exp.	4th Mixed	1,2,3 Night Exp.	1,2 Night Exp.
1.20	5.00	7.00	9.00	11.00	16.20	21.00	22.00	D 上海北站 SHANGHAI NORTH A	13.25	17.30	15.50	19.20	22.30	4.50	5.35	6.20
2.43	6.51		10.06	12.15		22.34		D 崑山 KUNSHAN D	11.50	15.51	14.50	18.05			4.28	
3.34	7.54	8.41	10.47	12.58	19.51	23.32	0.11	A 蘇州 SOOCHOW D	10.53	14.45	14.05	17.18	20.51	2.10	3.39	4.30
3.44	8.02	8.48	10.55	13.06	20.06	23.39	0.18	D 蘇州 SOOCHOW A	10.45	14.37	13.57	17.11	20.43	1.50	3.32	4.23
4.53	9.14	9.36	11.43	14.03	21.21	0.35	1.11	A 無錫 WUSIH D	8.52	13.28	13.09	16.17	19.55	0.10	2.39	3.30
4.59	9.20	9.42	11.50	14.09	21.31	0.42	1.17	D 無錫 WUSIH A	8.46	13.22	13.03	16.11	19.48	23.57	2.32	3.24
6.07	10.56	10.31	12.47	15.08	22.43	1.40	2.18	A 常州 CHANGCHOW D	7.38	11.45	12.13	15.10	19.01	22.45	1.42	2.35
6.30	11.07	10.41	12.57	15.18	23.03	1.50	2.28	D 常州 CHANGCHOW A	7.28	11.35	12.03	14.56	18.51	22.14	1.20	2.25
7.47	12.30		13.49	16.16	0.42	2.55	3.32	A 丹陽 TANYANG D	6.07	10.08	11.06	13.51		20.54	0.03	1.02
7.57	12.38		13.53	16.20	1.00	2.59	3.36	D 丹陽 TANYANG A	6.02	10.00	11.03	13.42		20.44	23.59	0.58
8.48	13.35	12.08	14.30	17.04	1.57	3.45	4.21	A 鎮江 CHINKIANG D	5.11	9.09	10.27	12.56	17.18	19.46	23.06	0.05
9.11	13.42	12.15	14.38	17.13	2.10	3.53	4.28	D 西站 WEST A	5.04	8.59	10.20	12.49	17.11	19.33	22.56	23.56
11.30	15.40	13.35	16.10	18.45	4.35	5.30	6.00	A 南京 NANKING D	2.50	7.00	9.00	11.00	15.50	17.00	21.00	22.00

FARE LIST

STATIONS	站名	Kilo.	I Class Ordinary	I Class Express	II Class Ordinary	II Class Express	III Class Ordinary	III Class Express
SHANGHAI	上海							
KUNSHAN	崑山	52	2,800.	3,800.	1,400.	1,900.	700.	1,000.
SOOCHOW	蘇州	87	4,400.	5,400.	2,200.	2,700.	1,100.	1,400.
WUSIH	無錫	129	6,400.	7,700.	3,200.	3,900.	1,600.	2,000.
CHANGCHOW	常州	168	8,400.	10,100.	4,200.	5,100.	2,100.	2,600.
TANYANG	丹陽	213	10,400.	12,500.	5,200.	6,300.	2,600.	3,200.
CHINKIANG WEST	鎮江西站	243	11,600.	14,000.	5,800.	7,000.	2,900.	3,500.
NANKING	南京	312	14,800.	17,800.	7,400.	8,900.	3,700.	4,500.

滬杭線 SHANGHAI-HANGCHOW LINE

TIME TABLE

23	21	61	67	41	25	車次 TRAIN NO.	42	24	68	26	22	62
1,2,3 Exp.	West Lake Excur.	2,3,4 Class	4th Mixed	2,3 Class	1,2,3 Exp.	站名 STATIONS	2,3 Class	1,2,3 Exp.	4th Mixed	1,2,3 Exp.	West Lake Exc.	2,3,4 Class
6.45	7.50	8.10		14.50	16.40	D 上海北站 SHANGHAI NORTH A	13.05	13.30		18.00	20.00	22.35
7.04	8.06	8.36	9.36	15.15	16.59	D 上海西站 SHANGHAI WEST D	12.47	13.14	16.55	17.45	19.46	22.16
7.47		9.38	11.12	16.17	17.51	A 松江 SUNGKIANG D	11.42	12.28	15.31	16.58		21.12
7.52		9.43	11.45	16.22	17.56	D 松江 SUNGKIANG A	11.37	12.23	15.21	16.53		21.07
9.00	9.50	11.14	13.53	17.53	19.20	A 嘉興 KASHING D	10.06	11.16	13.20	15.45	18.01	19.37
9.10	9.58	11.23	14.08	18.03	19.30	D 嘉興 KASHING A	9.56	11.03	12.58	15.35	17.51	19.27
9.45		12.06	15.05	18.48	20.04	D 峽石 YEHZAH D	9.10	10.30	12.08	15.03		18.46
10.16		12.51	16.04	19.33	20.35	A 長安鎮 CHANGAN-TSENG D	8.22	9.43	11.02	14.29		17.57
10.21		12.56	16.20	19.38	20.40	D 長安鎮 CHANGAN-TSENG A	8.17	9.38	10.52	14.24		17.52
11.25	11.45	14.10	18.25	20.50	21.35	A 杭州 HANGCHOW D	7.05	8.40	9.00	13.30	16.05	16.40

FARE LIST

STATIONS	站名	Kilo.	I Class Ordinary	I Class Express	II Class Ordinary	II Class Express	III Class Ordinary	III Class Express
SHANGHAI	上海							
SUNGKIANG	松江	45	2,400.	3,400.	1,200.	1,700.	600.	900.
KASHING	嘉興	99	4,800.	5,800.	2,400.	2,900.	1,200.	1,500.
YEHZAH	峽石	126	6,400.	7,700.	3,200.	3,900.	1,600.	2,000.
CHANGANTSENG	長安鎮	151	7,600.	9,200.	3,800.	4,600.	1,900.	2,300.
HANGCHOW	杭州	190	9,200.	11,100.	4,600.	5,600.	2,800.	2,800.

京滬區鉄路管理局

NANKING-SHANGHAI RAILWAY SYSTEM ADMINISTRATION

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